PENINSULA TECHNIKON
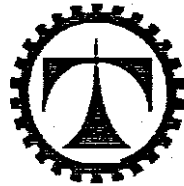
MENTORING AS A SUPPORT INTERVENTION FOR THE ENTREPRENEURS OF PENINSULA TECHNIKON'S TECHNOLOGY ENTERPRISE CENTRE

A Dissertation submitted in partial fulfillment of the requirements for a Master's Degree in Entrepreneurship at Peninsula Technikon

Tania Petersen

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December 2002

By

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DECLARATION

I, the undersigned, hereby declare that the work contained in this thesis is my own original work and has not previously in its entirety or in part been submitted at any university or technikon for a degree.

SIGNATURE: ....

DATE: ....27\02\03....

ABSTRACT

By international standards South Africa's unemployment rate and poverty levels are extremely high. Currently the unemployment rate is approximately 30% (Business Day, 28 March 2002) or in the region of 40% if those who are not actively seeking work are included. Owing to the high unemployment rate, the informal sector has experienced a growth spurt. Unfortunately, due to a lack of entrepreneurial competencies, South Africa's start-up businesses also have a lower survival rate compared to their international counterparts.

Technology Enterprise Centres (TECs) were created by the Technical and Business Initiative in South Africa (TABEISA), a consortium of six South African and British institutions established in 1994. The TEC has developed a mentoring programme and aims to implement it in the near future.

As part of a wide assortment of assistance programmes, mentoring is the latest methodology that is being promoted by the private and public sector as a valuable developmental tool for entrepreneurs.

The purpose of this study is to examine mentoring as an important resource in extending the business life-cycle of the entrepreneurs of Peninsula Technikon's TEC. The research reviews the mentoring literature and covers aspects such as the characteristics that mentors should have, the role of mentors, types of mentoring programmes, setting up a mentoring programme, current mentoring programmes, implementing a mentoring programme, as well as the benefits and drawbacks of mentoring.

The survey concentrated on identifying the mentoring requirements of the businesses. The findings highlight the need for a mentoring support programme to help entrepreneurs develop faster, therefore smoothing the transition process from one business stage to another.

The study concludes by stressing the need for an efficiently run formal mentoring process, coupled with other developmental programmes.

ACKNOWLEDGEMENTS

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CHAPTER 1

STATEMENT OF THE RESEARCH PROBLEM

1.1 TITLE

Mentoring as a support intervention for the entrepreneurs of Peninsula Technikon's Technology Enterprise Centre.

1.2 INTRODUCTION

Technology Enterprise Centres (TECs) were created by the Technical and Business Education Initiative in South Africa (TABEISA). TABEISA is a consortium of six South African and British institutions which was established in April 1994 to pursue the following aims: To

- work together in partnership to assist previously disadvantaged communities.
- develop and implement strategies to seek to ensure that higher education is fully accessible to black South Africans.
- foster, develop and realize economic and social development within the black community in South Africa.

Tabeisa has received funding from the European Commission for a four-year project. This funding has made the Technology Enterprise Centres possible. The establishment of Technology Enterprise Centres is a unique national initiative which harnesses the resources and knowledge of the technikons and the creativity and enthusiasm of technikon students and staff to uplift communities by creating new businesses and jobs. The Technology Enterprise Centres aim to help create thousands of jobs in South Africa's disadvantaged communities.

Technology Enterprise Centres make the research capacity, facilities and knowledge of the Technikons available to businesses and the community.

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Technology Enterprise Centres reach out into their communities to offer access to:

- business advice and counselling
- training and development support
- feasibility, start-up and growth finance
- incubation facilities for entrepreneurs to develop new businesses
- ideas generated from Technikon research and learning
- Technikon knowledge and facilities and
- office equipment and services (TABEISA pamphlet).

Currently the TEC's are only assisting entrepreneurs with feasibility studies and start-up finance. They are in the process of implementing a mentoring programme and this study aims to determine whether this is the correct intervention.

The Global Entrepreneurship Monitor (GEM, 2001:11) makes a distinction between two stages of entrepreneurial activity: start-ups and new firms. Start-ups are businesses that have not yet paid any salaries or wages, or have paid salaries or wages for not more than three months. New firms are businesses that have paid salaries and wages for more than three months, but for less than three-and-a-half years. South Africa has average levels of entrepreneurial activity, but with a higher proportion of start-ups relative to new firms than in most other countries. This suggests that we have lower survival rates among start-ups than is typical internationally (GEM, 2001:18). It is thus important to develop an intervention that could assist entrepreneurs to move from the start-up phase to the new firm stage. A mentoring programme is one intervention that could be used to reduce the failure rate of start-up firms. TABEISA has recognised the need for mentors, in order to nurture and grow the start-up businesses, thereby increasing their success rate.

1.3   BACKGROUND STUDY

1.3.1   ENTREPRENEURSHIP

Economic growth is a prerequisite for providing so many of the basic goods which people strive for: education, a comprehensive health service, housing, security, as well as a stable and fair political system. Without economic growth, these goods slip out of reach and society becomes impoverished. A successful formula for achieving economic growth and the spirit of enterprise, based on the creative energies of entrepreneurs, is increasingly being recognized as a necessary part of that formula (Vosloo, 1994:5).

There are many definitions of entrepreneurship. Hisrich and Peters (2002:10) define · entrepreneurship as the process of creating something new with value by devoting the necessary time and effort to it, assuming the accompanying financial, psychological and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence.

According to Driver, Wood, Segal and Herrington (2001:2), entrepreneurship is about people who realize new opportunities. Entrepreneurs are persistent, passionate, adaptable and able to take risks. As a set of attitudes and behaviours, entrepreneurship can occur in a range of environments, including large companies and the public sector. However, at the core of entrepreneurship lies the creation of new business ventures by individuals or teams.

Welsch and Kuratko (1994:3) aptly define entrepreneurship as the ability to create and build a vision from practically nothing. Fundamentally, it is a human, creative act. It is the application of energy to initiating and building an enterprise or organization, rather than just watching or analyzing. This vision requires a willingness to take calculated risks – both personal and financial – and then to do everything possible to reduce the chances of failure. Entrepreneurship also includes the ability to build an entrepreneurial or venture team to complement your own skills and talents. It is the knack of sensing an

opportunity where others see chaos, contradiction, and confusion. It is possessing the know-how to find, marshal, and control resources (often owned by others).

Although Bagshawe (1995:11) believes that more businesses are required in the new South Africa to help boost the economy and provide more employment, only one out of five businesses are successful (Carlson, 1994:4).

The following reasons for failure were identified by Wright (1995:48):
- Poor management skills
- Poor record-keeping
- Poor money management
- Too little effort to market the business
- Poor planning
- Poor pricing practices
- Poor human resources management
- The entrepreneurs' inability to adapt to the changing demands of a business.

Other constraints cited in Riley (1993:24) are insufficient access to financing and markets, inadequate education and scarcity of adequate business premises.

Managing the growth of a small business is a difficult and traumatic process, with the entrepreneurs often having to learn harsh and expensive lessons as their ventures move through the business life-cycle (Cope & Watts, 2000:112). Mentors could be useful to entrepreneurs in creating effective business structures and practices, such as effective accounting practices, computing infrastructure and marketing. Most small businesses fail because they have limited resources. When making use of mentors who provide expert advice based on their own experiences, small businesses could learn from the mentors' mistakes. According to Karlson (1994:7), by learning from the mistakes of others, the failure rate of small businesses could be minimized. There will be less heartache, since entrepreneurs will waste less of their capital, personal energy and self-esteem.

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1.3.2 MENTORING

The most frequently cited example of mentorship was chronicled by Homer in *The Odyssey*. Homer writes that around 1200 BC, the adventurer Odysseus made ready to leave for the Seige of Troy. Before sailing he appointed a guardian to his household. During Odysseus's absence, this guardian acted faithfully as teacher, advisor, friend and surrogate father to Telemachus, son of Odysseus. The mythical guardian's name was Mentor. Homer's story reflects one of the oldest attempts by a society to facilitate mentoring (Murray & Owen, 1991:6).

Apart from ancient Greek mythology we can see that mentoring has evolved quite naturally in many contexts in the history of mankind. The notion of apprenticeship, dating from the Middle Ages, has connotations of older, wiser practitioners bringing along or instructing younger, less experienced apprentices. This was how the artists of Renaissance Italy learned their trade. It is apparent that this term can be used in many different real-life contexts (Lewis, 1996: 2).

A remarkable diversity of mentoring schemes can be seen in schools and universities, among fledgling entrepreneurs, disadvantaged minorities and even among recently released prisoners (Megginson & Clutterbuck, 1995:19)

It is evident that mentoring can be applied to any group of people. Therefore there are diverse definitions of mentoring.

1.3.2.1 Definitions

The following generic definitions are cited in Parsloe and Wray (2001:78):
Clutterback (1991) defines a mentor as a more experienced individual willing to share his/her knowledge with someone less experienced in a relationship of mutual trust. A mixture of parent and peer, the mentor's primary function is to be a transitional figure in

an individual's development. Mentoring includes coaching, facilitating, counselling and networking.

According to Shea (1992) mentors are people, who through their action and work, help others to achieve their potential.

Kaye (2001) states that behind every successful person, there is one elementary truth: somewhere, somehow, someone cared about their growth and development. This person was their mentor.

According to Parsloe and Wray (2001:82) mentoring is a process which supports learning and development and thus performance improvements, either for an individual, team or business.

A more appropriate description of mentoring for entrepreneurs is provided by Prinsloo (2001:31) as the ongoing process of business counselling, focused on support, guidance, mutual exchange, coaching and role modelling.

1.3.2.2 Current mentoring programmes

A few mentorship programmes have been designed and implemented for entrepreneurs. Thuso is a network of business mentors and business plan developers and provides small and medium-sized businesses with the necessary business advice and expertise. Khula Enterprise Finance Ltd. was established by the Department of Trade and Industry (DTI) to help the small, medium and micro enterprises (SMME) to obtain funding from various retail financial intermediaries (RFI's). Khula, which helps entrepreneurs with guarantees to secure loans, initiated the Thuso Mentorship network in order to help provide entrepreneurs with pre-loan business plans and post-loan support in the form of management and technical expertise.

Nations Trust is a non-governmental institution (NGO) that provides business start-up finance to young entrepreneurs. Nations Trust implemented a mentorship program

during 2001. A mentor is provided to a Nations Trust financed enterprise to concentrate on the survival and growth of the business.

Business Partners is a specialist investor in viable small and medium enterprises (SME's) through a range of structured investment products. It is an unlisted public company, and has also established Business Partners Mentors (Pty) Ltd., that provides mentor and counselling services for SME's.

The University of Cape Town's (UCT) Graduate School of Business has also established a successful mentoring programme.

The University of the Western Cape's (UWC) Enterprise Development Centre also has a mentoring programme. In both instances they use post-graduate students to provide advice to small businesses.

As Peninsula Technikon has a TEC with its own client base it would like to implement a mentoring programme to suit the needs of its clients. Many of the lecturers have diverse skills and can be included in the TEC's pool of mentors.

1.3.2.3 Characteristics of mentors

In order for a mentoring programme to be successful, mentors should possess certain characteristics. However, one should take into account that one is dealing with human beings and that not everyone may score a perfect ten. Desirable characteristics required to perform effectively as a mentor are compatibility, mutual trust and respect and ethics (Hay, 1995:100).

Mentors should also be interested, supportive, competent, positive, involved, sharing and unexploitative (Everitt & Murray-Hicks in Murray & Owen, 1991:107).

1.3.2.4 The Matching Process

Finding a good match is a requirement for any successful relationship. According to an article in *The Big News for Growing Business* (2002:37), it is critical to find the right mentor, because his/her input is crucial to the growth of the client's business. Hale (2000:235) describes a range of approaches for matching a mentor and mentee. Some organisations will take a *laissez-faire* approach and allow mentor/mentee relationships to simply evolve and then offer support to allow the relationship to flourish. Others may take an interventionist approach using certain criteria to match mentor with mentee and the decision regarding pairing is actually taken by the third party. Somewhere in between the extremes lies a middle ground, where the third party facilitates the pairing of mentor and mentee by providing support and guidance, but allowing the actual decision to be taken by the mentor and mentee. Sullivan (2000:6) states that there appears to be an argument for matching on the one hand, but on the other hand it could be argued that since the personal chemistry between the two individuals is so important, any attempt to force a mentor/client relationship is likely to be unsuccessful.

Lacey (2000:26) suggests that there should be a degree of freedom and an organization could develop a pool of mentors from which the mentees can make their own selection. It is important that the mentors should be matched where their experience and skills seem appropriate.

Hale (2000:233) believes that if the aim is to speed the development of the relationship, then an important consideration will be to seek similarities in terms of interests, academic or professional background or even family circumstances. This range of criteria is illustrated in Figure 1.1.

FIGURE 1.1: Speeding the development of the relationship
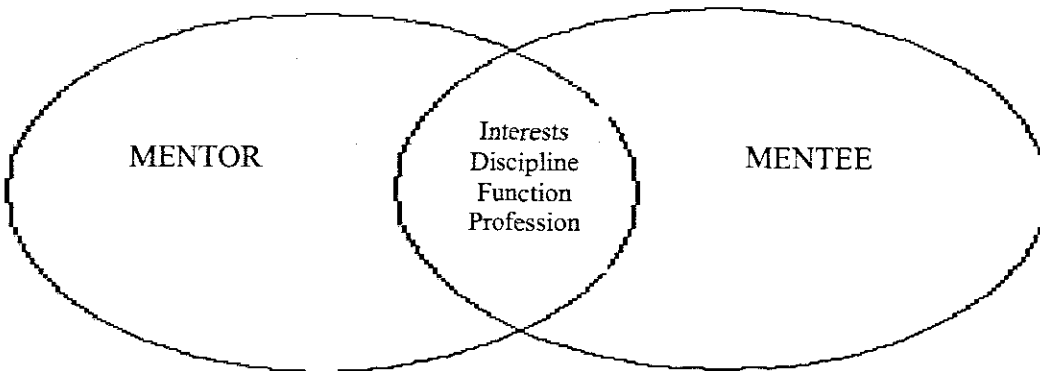
Source: Hale, 1994:234.

In order for a mentor – mentee relationship to be successful, both parties should agree to the following (Shea, 1994:68):

- There must be a truly punishment-free environment (mistakes are expected as part of the growth process)
- Some expectations may not be met
- The goals must be mutual
- The relationship must be based on a sense of mutual comfort and equality
- The mentee typically takes some risks and shows initiative
- The mentor's role is to help and support
- People who are significantly different from one another may be matched, so as to increase the potential for learning and skills development
- Mentoring inherently involves personal change and growth, and as such changes occur, friendship may also grow.

1.4   FORMULATION OF THE RESEARCH PROBLEM

To what extent will a mentoring programme be an appropriate support intervention for the entrepreneurs of Peninsula Technikon's TEC?.

1.4.1   SUB-PROBLEMS

- What does mentoring entail in a small business environment?
- What are the needs of the TEC's entrepreneurs?
- What criteria should be used for the selection and training of mentors?.
- What are the components of a mentoring programme?.
- What are the benefits and pitfalls of a mentoring programme?

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1.5   OBJECTIVES OF THE STUDY

1.5.1   PRIMARY OBJECTIVE

The primary objective of this study is to ascertain whether mentoring is an appropriate support intervention for the entrepreneurs of Peninsula Technikon's TEC.

1.5.2   SECONDARY OBJECTIVES

- To determine the purpose of mentoring in a small business environment.
- To identify the needs of the mentees of the TEC.
- To determine the criteria necessary for selecting and training mentors.
- To identify the elements of a mentoring programme.
- To determine the benefits and pitfalls of a mentoring programme.

1.6   DELIMITATION OF THE RESEARCH

The scope of the study will be limited to the businesses of Peninsula Technikon's TEC.

1.7   RESEARCH METHOD

Both primary and secondary sources of information were used.

1.7.1   PRIMARY DATA

Empirical research was conducted by means of structured questionnaires that were developed for the TEC's entrepreneurs.

1.7.2   SECONDARY DATA

A literature study on different types of available material on entrepreneurship and mentoring was conducted.   Information on the mentoring of entrepreneurs is very limited, therefore the information on mentoring was adapted to make it applicable.

1.8   SIGNIFICANCE OF THE RESEARCH

In the last three decades several East Asian countries have achieved spectacular economic growth.   Japan has emerged as the world's industrial superpower (Vosloo, 1994: 85).   Small to medium-sized companies, called "Chu-Sho-Kigyo", make up more than 99 per cent of the Japanese industry and form the real foundation of the Japanese

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economy. Small to medium-sized enterprises employ over 80% of the national workforce (Vosloo, 1994: 96).

The main aim of this study is to determine whether mentoring is the appropriate support intervention for the entrepreneurs of the TEC. If entrepreneurs are successful, this could have a positive impact on the South African economy, as more money will be spent on local goods and services.

Social problems such as physical abuse, rape and the crime rate could also be reduced if more people can be occupied in a constructive way.

1.9   INTENDED PROGRAMME OF STUDY

The timeframe for the completion of the mini-thesis is from February 2002 to January 2003.

1.10   STRUCTURE OF THE STUDY

Chapter 1 -   Statement of the research problem

Chapter 2 -   Mentoring theory and its application to the TEC's programme

Chapter 3 -   Planning of the empirical research project.

Chapter 4   Results and interpretation.

Chapter 5   Conclusions and recommendations.

CHAPTER 2

MENTORING THEORY AND ITS RELATIONSHIP WITH THE TECHNOLOGY ENTERPRISE CENTRE.

2.1   INTRODUCTION

The focus of this literature study is on the use of mentoring as a support intervention for the entrepreneurs of the TEC at Peninsula Technikon. The study aims to determine the mentoring needs of the TEC's post-loan entrepreneurs and whether a mentoring programme will solve the problems currently being experienced by these entrepreneurs. The literature reviewed in this chapter covers the following:

- Role of mentors;
- Types of mentoring programmes;
- Setting up a mentoring programme;
- Current mentoring programmes;
- Implementing a mentoring programme;
- Benefits and drawbacks of mentoring.

2.2   ROLE OF MENTORS

The term 'mentor' conjures up images of role models who, because of their skills and competencies or their attitude towards life, have been admired and emulated. A mentor is someone who is always available whenever a helping hand or sympathetic ear is required - a confidante and guide who believes that growth and competencies are achieved by doing and not spoon-feeding. S/he is a person, who because of her/his wisdom, instills trust and respect.

According to Field (2001:270) the term 'mentor' has many synonyms that are used interchangeably throughout the business and education literature. The most common synonyms are teacher, coach, advisor and guide.

Another view comes from Shea (1994:26) who states that there are five different types of one-on-one relationships, each involving some form of teaching, and to a lesser degree, skills. There are, however, important differences between these relationships as shown in Figure 2.1.

FIGURE 2.1:   Modes of One-on-One Teaching and Helping
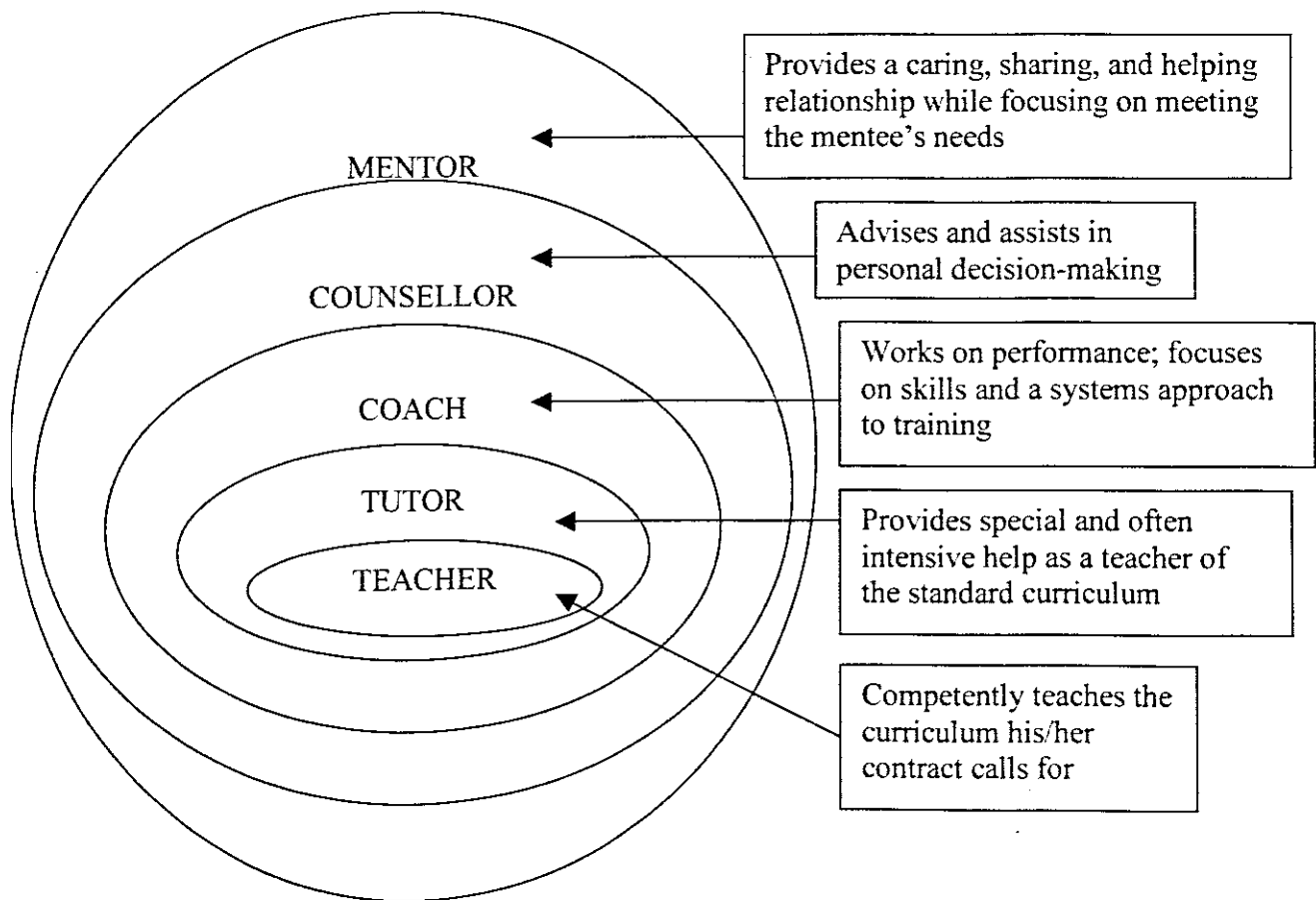
SOURCE: Adapted from Shea, 1994:27.

A profound statement made by Field (2001:273) is that one way of visualizing mentoring is to picture a set of outreached hands where one is stretched down to give someone a hand up and the other hand is stretched upward so someone can help the helper. It should also be visualized as a never-ending and constantly changing set of helping and assisting hands that one can take advantage of at critical junctures in one's career.

Conway's (1995:28) description complements that of Field, and states that a mentor is an experienced, objective, yet empathetic sounding board with the power to influence events. A mentor should have the qualities of experience, perspective and distance, challenging the mentee and using candour to force re-examination and reprioritization without being a crutch. Mentoring can become a process of raising consciousness to a high level.

Mentoring thus requires input from the mentee as well, with the aim of building capacity, in order for the mentee to develop and become self-reliant.

Hale (2000:228) has a similar view and states that effective mentors will help mentees access their own bank of knowledge and experience and will open up access to previously acquired knowledge and experience. Furthermore, the effective mentor will help the mentee identify current or potential experience-based opportunities to develop insights. Hale has proposed a formula shown in Figure 2.2, as a way of understanding the way in which mentees can develop insights from a mentoring relationship.

FIGURE 2.2:   Formula for the development of mentee insights

| Knowledge (Mentor) (Mentee) | | | | |
| Experiences (Mentor) (Mentee) | + | Effective Mentoring | = | Insights |
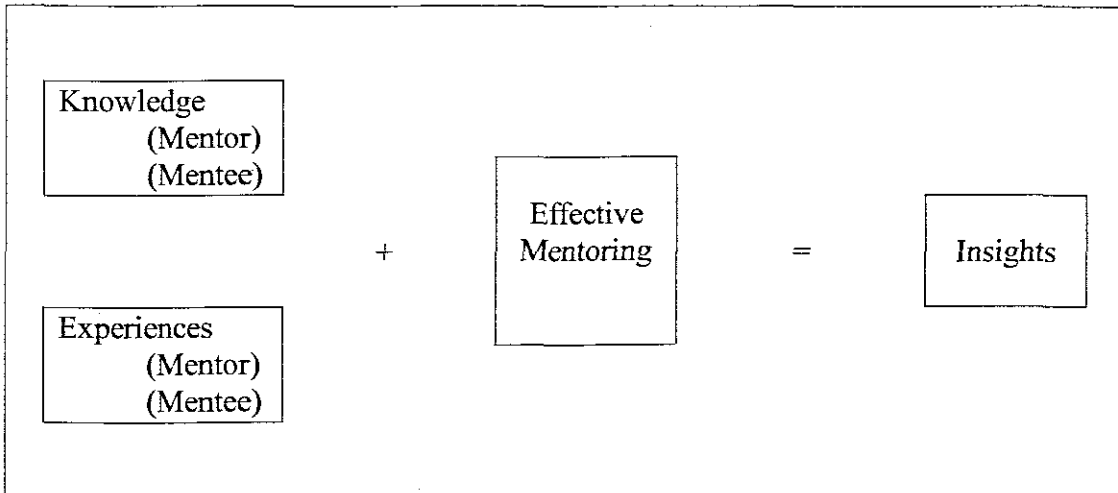
Source: Adapted from Hale, 2000:233.

An important advantage is the structure mentoring gives to explore strengths and weaknesses in a confidential atmosphere. The mentor provides a sounding board, challenges assumptions and encourages wider thinking (Tabbron, Macanlay & Cook, 1997:6). Another advantage is provided by Sullivan (2000:168), who believes that a mentoring programme may deliver effective support to entrepreneurs as they move through a development life-cycle, and that it may be more cost-effective than up-front prescribed training in the long run.

A corresponding perspective is articulated by Collin (in Sullivan, 2000:166). Collin sees mentoring, in the context of support to "new" entrepreneurs, as being a protected relationship in which learning and experimentation can occur, potential skills can be developed and in which results can be measured in terms of competencies gained, rather than curricular territory covered.

Mentoring is thus a two-way process, with the aim of building entrepreneurial competencies, by drawing on the experience of a mentor and bypassing the theoretical ground that traditional training programmes provide. An outcomes-based approach of learning by doing and not learning by studying is applied. Given that time is of the essence for entrepreneurs, the mentoring process is suitable in this context. Gregson (1994:26) calls this a "fast-track" support scheme. What should be borne in mind is that, although the transfer of skills are immediate and therefore time and money can be saved, the value of taking ownership for one's own learning and development should not be underscored.

2.3   TYPES OF MENTORING

2.3.1   Lacey's mentoring types

Various types of mentoring have been identified by Lacey (2000: 17). With one-to-one mentoring, the mentor works with one mentee in a close one-to-one hierarchical relationship. It provides a guaranteed commitment by the mentor to each mentee. In the case of mentoring hubs, a mentor works with a number of mentees at once. On some occasions the mentor works with each mentee individually and on other occasions with all of the mentees as a group. On-site mentors are available for *ad hoc* meetings, informal shadowing and counselling, whereas off-site mentors on the other hand are drawn from a variety of work-sites. The mentoring function must be organized and formal, removing many of the opportunities for informal *ad hoc* coaching and counselling.

2.3.2   Hay's mentoring types

Hay (1995:31) classifies mentoring into several broad groups:

- **Older/Younger** - Mentors in this case are generally older and hopefully wiser. These schemes are fairly formalized, with sets of procedures to cover most aspects. Schemes are part of training and development processes.

- **Training and development** - Here a tutor or trainer is usually the mentor. The mentees may be the entire group on a course, or selected individuals.

- **Expert/Novice** - The most obvious example is the master/apprentice relationship. The fundamental approach is that of an expert passing on skills. There may also be a strong emphasis on the values of the profession or trade.

- **Friend/Comrade** - Although this mode of mentoring is linked to training and development processes, the distinguishing factor is the emphasis on support from colleagues rather than from professional developers.

- **Temporary deficit** - This model covers those approaches where the mentee is seen to need only short-term support. An inexperienced employee is paired with an experienced person for the purpose of learning the job, for only a few weeks. This approach is used because there are too few new appointments annually to justify mounting a training programme.

- *Ad hoc* - This category includes a variety of arrangements initiated by mentees, together with examples of people who realized later that they had been heavily influenced by particular individuals in the past.

2.3.3   Shea's mentoring types

Shea (1994: 36) proposes three types of mentoring. They are situational, informal and formal and the characteristics are illustrated in Table 2.1.

Table 2.1: Shea's characteristics of different types of mentoring

Situational Mentoring Acts

Tend to be:
- Short, isolated episodes
- Spontaneous,"off-the-cuff" interventions
- Seemingly random
- Often casual
- Creative and innovative

Are generally characterized by being:
- Responsive to current needs of mentee and/or present situation
- A mentor-initiated intervention
- "One-time" events
- The mentee's responsibility is to recognize and use lessons offered
- Unclear as to results at time of incident

May include:
- Sharp, beneficial life- or style-altering effects on mentee
- Increased sensitivity of mentee to opportunities
- A network of mentors to be called upon as needed
- Assessment of results by mentee

Informal Mentoring Relationships

Tend to be:
- Voluntary
- Very personal
- Very responsive to mentee needs
- Loosely structured
- Flexible

Are generally characterized by being:
- Mentor-driven by his/her caring, sharing and helping
- A mutual acceptance of roles
- A path to developing deep mutual respect and friendship

- Dependent on mentor's competence, knowledge, skills and abilities

May include:
- Mentee-revealed needs
- Periodic assessment of results by participants
- Team mentoring, but with emphasis on intense one-on-one interaction during team activity
- Mentor having more than a one-role relationship with mentee – i.e., as a supervisor, parent, or friend

Formal Mentoring Programs

Tend to be:
- Measurably productive and long term
- The source of a developing relationship / friendship
- Systematic and structured
- Institutionalized and ongoing
- Traditional

Are generally characterized by being:
- Driven by organizational needs
- Focused on achieving organizational or sub-unit goals
- A method for matching mentors with mentees
- Of fixed duration and based on goal achievement
- Organizationally sponsored or sanctioned

May include:
- Monitoring of program activities
- Measurement of program results, as with organizational change or the advancement of specific groups of mentees
- A focus on goals of a special group
- Specially designed organizational interventions

Source: Adapted from Shea, 1994:36.

Even though a variety of mentoring types have been identified, mentoring generally develops either in a structured environment or can be a result of a spontaneous relationship (Murray in Johnson, Geroy & Griego, 1999:385). Currently, many business organisations are institutionalising structured mentoring programs based on the positive benefits seen in spontaneous mentoring relationships (Johnson, Geroy & Griego, 1999:385). A similar view is shared by Gay (1994:5), who states that planned or facilitated mentoring programmes attempt to capture the power of positive informal relationships within an agreed and acceptable framework.

Although there are contrasting views regarding the benefits of informal and formal mentoring schemes, the implementation of a formal mentoring programme for the TEC is recommended. Bisk (2002:264) states that small business advisors bring a dynamic web of resources with them in terms of their broad business knowledge and personal and professional networks. These are networks that the entrepreneurs will not normally have access to, but can now derive benefits from, because of their involvement in a planned mentoring process.

According to Garvey (1994:19), a formal mentoring relationship is one that involves agreed appointments, venues and time-scales. It is one that may be part of an officially recognized scheme within an organization. The members of the partnership in this formalized relationship are likely to establish ground rules of conduct. Formal mentoring uses a structured approach which is necessary in order for the TEC's programme to be monitored and evaluated in order to measure progress.

Ideally, formal mentoring relationships should provide a platform for informal mentoring to develop (Kram and Bragar in Blake-Beard, 2001:336). Hopefully at the conclusion of the programme, the partners will have established sufficient common ground and maintain contact for personal and/or business reasons.

2.4 SETTING UP A MENTORING PROGRAMME

Before implementing a mentoring programme, Lewis (2000:148-154) proposes that the key aspects, outlined in Table 2.2, should be considered.

Figure 2.2: Key aspects to consider when setting up a mentoring programme

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Defining the aims or purposes
What is necessary at this stage is to define the broad thrust of the programme so that it can be communicated to and shared by the participants.

Planning and resourcing
A planning process needs to take place, and needs staff to oversee it. The role of a champion or project manager is a key feature of successful programmes.

At this stage, the timetable also needs to be planned. The key features that need to be planned are:
- Selection and induction of participants/learners
- Selection, training/induction of mentors
- A programme timetable if the mentoring is not open-framed
- Support for mentors
- Definition of monitoring processes

Selecting and training mentors

Here it is necessary to describe the key roles, skills and attributes that the mentors will need.

Prospective mentors will be keen to ask, and should receive answers to, some basic questions at this stage.
- How often should we meet?
- How much time should be given?
- What are the criteria?

Once mentors are selected and trained, the next stage is to match the mentors to the learners.

Monitoring and Evaluating
There are a number of reasons for setting up a system for monitoring the mentoring activity. The first is to check whether participants are developing appropriate and productive relationships and that things are happening as they are supposed to. The second reason is to ensure that the proposed benefits are being delivered for all concerned. A further reason is to capitalize on and learn from the shared experience.

Methods that can be used here are questionnaires, interviews and group discussions.

Source: Adapted from Lewis, 1994:148-154.

Lewis's pre-implementation guidelines are very useful. All the broad purposes (development, learning, skills, competence, understanding or attitude) are applicable to the TEC. A mentoring champion is imperative, as a successful process will impact on the success of the entrepreneurs. All the entrepreneurs of the TEC should be provided with the option to be mentored, as many of the small and micro businesses lack the entrepreneurial skills required to survive.

If persons who have not mentored before are selected, training of mentors should take place. The criteria that the TEC should take into account when matching mentees and mentors are location, technical specialism and gender.

Selection and training of the mentors will prove to be the most challenging stage for the TEC, as a host of skills will be required. Support for mentors is also important. Mechanisms, like regular meetings and social events, should be in place to share good experiences and practices. Monitoring processes should be clearly explained as this will eliminate future problems. Opt-out clauses should be available, but petty reasons should not be indulged.

Monitoring and evaluation is imperative in order to ascertain whether outcomes have been achieved and goals have been met.

2.5   CURRENT FORMAL MENTORING PROGRAMMES

Formal mentoring programs have become increasingly popular as a developmental tool for entrepreneurs. According to Gay (1994:4) planned mentoring programmes attempt to capture the power of positive informal mentoring within an agreed and acceptable framework. Planned mentoring is a structure and series of processes designed to create

effective mentoring relationships, guide the desired behaviour change of those involved and evaluate the results for the mentees, the mentors and the organization (Gay, 1994:4). These are all excellent reasons why the TEC should implement a formal mentoring programme, which warrants further exploration of this area.

2.5.1   LACEY'S FORMAL MENTORING PROGRAMME

Lacey (2000:21-31), proposes a formal mentoring programme shown in Table 2.3.

Table 2.3: Lacey's Formal Mentoring Programme

Assess organizational readiness	• Will participants volunteer as self-nominated pairs or individuals for the organization to match?
Establish program goals	**Matching mentors and mentees**
Useful questions to be asked are:	Those responsible for the matching process can:
• What do you hope that this program will achieve?	• Develop a pool of mentors from which the mentees select;
• How are these goals currently being met?	• Allow mentees to self-nominate with a list of their preferred mentors;
• Who will set the goals of the mentor program?	• Allow mentees and mentors to apply as pairs with either partner initiating the pairing;
• Who will determine if these goals have been met?	• Match mentees and mentors who apply separately;
• Who will determine the measurable outcomes for participants?	• Call for sponsor nomination of suitable mentees and mentors; or
• What training will be offered to participants?	• Call for boss nomination of suitable mentors and mentees.
• What ongoing support will be provided?	**Orientation and training phase**
• Who will act as sponsors of the program?	**Establish a rapport between partners**
• How will the programmme be evaluated?	**Roles and responsibilities**
Pre-program phase	**Establish protocols**
Promote the program	**Provide skills training**
Call for expressions of interest	
Participant selection procedures	**Provide a framework for a personal development plan**
Before selecting the mentor, programme designers need to answer the following questions:	**The relationship development phase**
• What is the mentor's role?	**Provide ongoing support**
• How will mentors be recruited?	**Establish a periodic reporting program**
• What basic characteristics should mentors possess?	**Facilitate group meetings for participants**
• How will the mentors be rewarded?	**Evaluating the program**
• What support will be offered to the mentors?	
• What process will be used to screen mentors?	
• Will mentors self-nominate or will they be recruited?	

Source: Adapted from Lacey, 2000:21-31.

According to Lacey, structured mentoring relationships will only be successful if the organization understands the mentoring process and is committed to the concept of long-term professional growth. The organization needs to be prepared to allow some choice in the final matching of the partners, allow the partners to establish the purpose and outcome of their relationship and allow time for the relationship to develop. Programme goals need to be established.

The promotion of the program needs to occur formally and informally. The first time that a mentoring program is conducted, the promotion will be structured and rely heavily on formal processes such as articles on mentoring and in-house journals, promotional flyers and program endorsement by the CEO forwarded to all managers. In subsequent years the program should be promoted by the successful participants through the above formal processes but also by the most powerful recommendation of all – word of mouth.

Lacey also believes that the selection process can have a considerable impact on the success of the mentoring programme and the likelihood of change and development for the mentee. Mentoring programme designers need to consider issues of attracting, selecting and briefing prospective mentors. Successful programmes rely on the appropriate selection of suitable mentors and mentees.

Procedures that Lacey suggests to select participants for mentoring programs are:
- Call for volunteer mentees and mentors and accept all applicants;
- Call for volunteer mentors and mentees and select suitable applicants;
- Call for boss and sponsor nominations; or
- Provide mentors for a group within the workplace, for example, all new employees.

Before selecting the mentor, program designers need to answer a number of questions, which are outlined in Table 2.3.

The person chosen as a mentor should be a good motivator and teacher, a high performer who is unthreatened by others' success and who reflects the organization's values and culture. The most effective mentors may be those who are willing to spend the time necessary to transfer skills and knowledge and who are open enough to take risks, willing to share experiences and have a desire to help.

The key aspects in selecting mentors include their commitment to the programme and willingness to allocate sufficient time to the mentoring process; their ability to see the mentoring relationship as mutually beneficial; and their interpersonal skills. Mentoring is a complex and demanding job. Being mentored requires enormous risk-taking. The key aspect in being selecting to the program as a mentee is being prepared to accept responsibility for one's own growth and development.

The matching of mentors and mentees in formal mentoring programmes is an unpredictable process. Some partnerships will work well; others will be less successful. Informal mentoring matchings are less problematic because they occur at the instigation of the mentor, mentee or by serendipity. Despite attempts to ensure successful matching, success in formal mentoring programme matching still hinges more on serendipity than on design. Programme designers and program sponsors must keep this in mind when evaluating the success of mentoring programmes.

In the case of formal mentoring programs the most effective are those in which the partners are allowed to choose each other. Where there is a degree of freedom there is a much higher success rate. Various methods of matching the mentor and mentee can be used (see Table 2.3).

Mentees should be given the opportunity to express their choice of preferences. Mentors may then accept or reject the mentee. When the mentor chooses the mentee, the mentor usually controls the development of the relationship. The mentees often take a passive role. They rely on the experience, status, commitment, competence and energy of the mentor to provide the learning. Relationships are more likely to succeed

where there is a high degree of choice, with the mentee nominating their preferred mentor and the mentor having right of refusal.

In most formal mentoring programmes the organization plays some role in the final selection of the mentees.

The purpose of the orientation and training is to provide all participants with a clear understanding of the purpose of the programme and the organization's expectations of each person's role and responsibility. Orientation and training also help to ensure consistent implementation of the programme, agreed-upon and documented protocols and appropriate skills training.

All participants in mentoring programmes must need and appreciate training. Unless self-nominated as pairs, most mentoring pairs will not know each other at all. The training programme needs to provide opportunities for the pairs to get to know their partners.

Addressing all participants in the same room, the training facilitator should outline the organisation's definitions of each role and outline what is expected of mentors and mentees and the expected outcomes of the programme. This information should be clearly stated in all promotional literature and be agreed to by prospective participants prior to participation in the programme.

It is advisable that the training facilitator should outline the aspects of the programme that need to be agreed upon and the parameters within which the participants can set their own protocols. The protocols should include confidentiality; duration of the relationship; meetings; roles and responsibilities of the mentee and mentor; the approximate time to be invested by the mentor; and how to terminate an unsuccessful relationship prior to the formal conclusion of the program.

Each pair should then agree on the protocols for their relationship. This will include aspects such as the location of meetings, length of time, approximate number of

meetings, who can initiate meetings, what will be discussed, and each person's specific expectations of their partner.

Not all relationships will be successful. In some cases it will be necessary to terminate the formal mentoring relationship prior to the conclusion of the program. It is important that either the mentor or mentee can initiate this process with no negative consequences. Program facilitators will usually seek feedback from both people as to the cause of the breakdown in the relationship. However, their purpose is to avoid future unsuccessful matchings rather than to lay blame on the participants.

It is assumed that the mentors will have been selected because of their acknowledged expertise in their chosen field. If the mentor does not already have highly developed interpersonal skills before selection to the programme, skills training in this area is unlikely to provide the mentor with the necessary level of competence in this area. The training programme should provide mentors with refresher training in this area and focus on developing their role with the mentee. Mentees need skill development in negotiation, listening, and questioning. The mentors and mentees need skill developments in goalsetting, planning, negotiation, communication and giving criticism

The purpose of the relationship is to develop the mentee's skills and abilities. The mentor and mentee need to establish what skills and abilities the mentee should possess and identify existing strengths and weaknesses.

The success of the formal mentoring program depends on the strength of the relationship that develops between partners. Activities that promote openness and disclosure need to be built into the orientation program and followed up in the mid-cycle training.

It is useful to have a person whose role it is to provide support to mentors and mentees in each pair at the critical points in the relationship. The support person provides personal support for the mentor and mentee; ensures that clear goals are established; provides motivation and an informal degree of checking that pairs are meeting and that

the relationship is on track; and may act as a mediator. Regardless of the selection and matching process there will be some pairs that simply will not work. In such cases the support person might need to suggest that the formal mentoring relationship should be terminated. Fault should not be allocated in this situation. The support person must establish why the relationship broke down simply to avoid other potentially unsuccessful matchings.

The support person should initially contact the participants separately rather than meeting with the pairs, as participants will be reluctant to disclose any dissatisfaction or frustration with their partner in front of them. Contact should be made by the support person with each participant approximately once every six weeks.

Halfway through the relationship development phase, participants have the opportunity to meet to discuss how their development plan is progressing, what tools have been useful and what problems they have encountered. The mentors and mentees now meet with other mentors and mentees to discuss issues pertinent to their roles in the programme and to learn how others are managing those roles.

Mentoring relationships are complex and their success is largely serendipitous. The protocols and guidelines outlined earlier will increase the likelihood of success but are not guarantees. Each programme should be progressively evaluated at every stage. Organisations should have identified the short- and long-term goals for the mentoring programme clearly at the very beginning. These goals should then form the basis for the evaluation at the end of each phase of the programme.

At the conclusion of the formal programme the following aspects should be assessed:
- the support provided by the programme facilitator and the organization;
- follow-up training programmes;
- the skills of the mentor;
- gains made by the mentee; and
- the success of particular learning activities.

Lacey's mentoring programme, although designed for the corporate sector, can be applied to the small business environment. It has all the components of an excellent mentoring programme and also complements Lewis's guidelines discussed in 2.4. What comes through strongly is that all the stakeholders should be committed to the process, as one weak link can have a negative impact on the process. Although Lacey believes that the mentees should select their mentors, the TEC at Peninsula Technikon needs to do its own selection, as it recruits the mentors and is more familiar with the background and skills of the mentors. Self-selection should be an option though for those who prefer to choose their own mentor. Aspects such as area of speciality and location need to be taken into account. Training for mentors and mentees should take place to avoid unrealistic expectations and unnecessary teething problems. Lacey also believes that skills that are not in place cannot be developed. Although this is true, mentors should also be provided with the opportunity to develop and could be given smaller assignments, or even shadow a seasoned mentor.

2.5.2   ZEY'S FORMAL MENTORING SYSTEM

The following guidelines are provided by Zey (1984:209-212) in Table 2.4 for a formalized mentoring system.

Table 2.4: Zey's formal mentoring system   (Source: Zey, 1984:209).

Establish clear goals for the programme	Give free reign to the mutual benefits accruing to both parties
Communicate the programme's goals to all participants	Permit withdrawal from the programme
Determine the organization's ability to absorb programme "graduates"	Evaluate the programme continually
Enlist the co-operation of the entire organization	Give the programme a long-term test period
Make the selection process as autonomous as possible	Anticipate extraneous effects of Organization's perceptions of Participants
Be assured of the commitment of the mentors	

Zey states that the organization has to determine early on what function it wants the mentoring programme to fulfil. Is it a teaching function, a counselling function or a promotional function?

Both the mentor and the mentee should be informed beforehand what the programme's goals are.

The rationale, goals and mechanics of the formal mentoring program must be explained to al the stakeholders.

The program must allow for a free selection of mentors.

A less than enthusiastic participation by the mentor can severely reduce the training benefits of the mentoring program.

The program must be conceived as a mechanism for allowing each party to utilize the relationship to his/her own advantage.

If either party feels that the mentor relationship is not serving her/his best interest, s/he must be permitted to terminate it. However, there should be a closed review of the rationale behind the withdrawal from the formal program. This will provide the developers of the program with feedback that can enable them to modify the program if necessary.

The evaluation should involve the following aspects:
- The mentors and mentees should be interviewed at set points to get general and specific feedback regarding satisfaction and dissatisfaction.
- Channels should always be available for anonymous and confidential airing of grievances.
- Suggestions for change and improvement should always be solicited.
- A quantitatively based organization-wide survey should be made at regular intervals.

Zey believes that a half-hearted attempt at developing a formal mentoring program is doomed. The mentoring program must be evaluated by the same criteria that are used to judge any mentor-mentee relationship, that is, according to the long-term development patterns and their effects on the participants. Mentor relationships develop in curious ways, and the organizations and the participants must be informed early on that time will be allotted for these relationships to mature and progress.

Many common threads can be found in Lacey and Zey's programmes. The overlapping components are the establishment of goals, communication of the program goals, and allowing for free selection. Although Zey believes that the mentor should be enthusiastic, this should apply to all the stakeholders for the process to work. Channels for confidential airing of grievances as well as suggestions for improvement are also very important, as this is the only way in which any programme can ultimately be successful.

2.5.3   THE BASS MENTORSHIP MODEL

The BASS Mentorship Model was developed for Nations Trust which is an N.G.O. that promotes sustainable youth enterprise development. Their target market is youth that are un- or underemployed between the ages of 18 and 35 years, with business start-up loans of between R1 500 and R10 000.

Table 2.5: The BASS Mentorship Model

Pre-conditions for Mentoring
Key to the success of the mentoring programme is how well mentors and clients get to know each other, the mentor's understanding of the business concept and the level of mutual trust and respect between the mentor and client.
The first item of consideration for the mentor is to establish, develop and nurture mutual respect and trust at both a personal and professional level.
The model explained
The BASS model is a guide to be used by mentors to identify the areas of support required by

the entrepreneur in the management of his/her business systematically.

There are three business management areas that The Nation's Trust has identified as being key to the success and sustainability of a young business. They are:

- The business concept
- Business management and administration
- Marketing and growth

THE PROCESS FOR IMPLEMENTATION

Pre-induction

The mentor familiarizes him/herself with the business concept and the selection panel recommendations.

Induction

In the course of the first interview with his/her client, the mentor checks to see how the client assesses his/her support needs.

Setting the programme

The mentor does a SWOT analysis to design a focused plan of action.

Implementing the programme

The mentor presents his/her plan to the client and agreement is reached on what will actually be done in the course of mentoring.

Meeting process summary

- Preparation
- Setting up a threat-free, uninterrupted environment
- Opening strategy and time setting
- Obtaining information
- Listening
- Recapping
- Note-taking
- Giving short, simple jargon-free information
- Closure and next meeting agreement

Source: Nations Trust Mentorship Document

Positive aspects of the model are the SWOT analysis that is done to identify the strengths, weaknesses, threats and opportunities of the entrepreneur and the mutually

agreed plan that follows. Unfortunately the onus rests on the mentor to develop the relationship. This should in fact be a two-way process.

2.5.4   BUSINESS PARTNERS MENTORING PROGRAMME

Business Partners, a specialist investor in viable small and medium enterprises (SME's), have also established Business Partners Mentors (Pty) Ltd, that provides mentor and counselling services for SME's. The following information was obtained from a document that contains their mentoring guidelines.

2.5.4.1 GENERAL INFORMATION

Assignments which could last from one to five days or longer include the completion of the Authorization for Mentor Service form, which must be done by the entrepreneur or organization requesting the service. Basic information about the business is recorded on the form, including the fee that will have to be paid by the business, the expected number of days that will be spent on the assignment and the estimated travelling and accommodation costs, if any.

2.5.4.2 THE COUNSELLING SERVICE

- On arrival, an introductory meeting is conducted with the entrepreneur. The purpose of the assignment and the program that will be followed for the day or during the assignment is discussed. The entrepreneur is assured of the confidentiality of the assignment.

- An overview of the business, its history, operation, size, products, services, organizational structure, volume and scope is done. A meeting with other members of staff or persons that may be involved in discussions or the provision of information is arranged.

- Relevant material, figures, numbers and documents that may be required for the successful completion of the assignment are obtained and studied. Notes are made and factual information is collated. It is wise to compile, in advance, a list of topics and issues that need to be investigated and discussed.

- The management, the staff, the administration, the efficiency and all other relevant and related aspects of the business, or the specific matters under investigation, are assessed.

- Specific problems and needs that are to be focused on during the assignment are then attended to.

- At the end of the day or at the conclusion of the assignment, a discussion is conducted with the entrepreneur or person assigned on the findings, recommendations and suggested plan of action. A concise report or set of notes is written, and a copy thereof is handed to the entrepreneur.

- If necessary and mutually agreed upon to extend the assignment, the entrepreneur or person assigned who duly represents the business, must sign the extension portion of the Authorisation For Mentor Service form.

- All of the available data, observations and impressions are assembled and analysed to ensure that the real nature of the problems is understood. From this base, conclusions are formed and recommendations formulated.

2.5.4.3 CONDUCT

Mentors are encouraged always to observe a conduct that demonstrates confidence, competence, credibility and integrity beyond question.

2.5.4.4 REPORT

The report should contain a brief summary of the findings, the recommendations, and the actions that should be taken. An indication of any future follow-up action should also be provided.

2.5.4.5 MONITORING

After a period of time, a monitoring process is initiated to evaluate the progress and success of the business and the ability of the mentor. The need for further involvement or the continuation of the mentor service is also addressed at this stage.

2.5.4.6 COMMUNICATION

The company Business Partners strives to establish close communication links with all registered mentors. This is done via newsletters, e-mails and meetings that are organized from time to time. Mentors are requested to attend meetings if possible.

Business Partners has a detailed mentoring model. It has all the right elements such as conduct of mentors, a report that has to be written and a monitoring process in place to evaluate the progress of the business and the service delivered by the mentor. Various effective modes of communication such as e-mail, meetings and newsletters are used.

2.5.5   THE TEC'S MENTORING PROGRAMME

Peninsula Technikon's TEC has developed a mentorship program to ensure that there is a uniform program within the Technology Enterprise Centres, servicing the needs of existing business post-loan phase.

The aim is to accelerate business development and to open up services to all businesses, reducing the vulnerability of failure within business enterprises.

The programme will therefore provide the following:

- Deal with accreditation of mentors;
- Set standards ensuring consistency in delivery;
- A database linking mentors with entrepreneurs, and entrepreneurs with mentors;

- A framework for monitoring and evaluation; and
- The continuous monitoring of individual skills of mentors to ensure appropriate training is identified to maintain industry standards.

The target market will be segmented according to the definitions laid down by the Small Business-enabling Act:

- Micro to Very small - formal
- Small business
- Medium business

This process will define the levels at which mentors will find themselves to ensure the most productive outcomes for the entrepreneur.

A database, that represents the mentors at different levels and the industries they represent as well as the accreditation required for the different levels and industries, will also be available.

Fundamentally the program will be demand driven and therefore a proper and well-organised control strategy will be in place. The client should be clear on how this process will both benefit and improve his/her business. Known successes should be marketed in order to give credibility to, and ensure sustainability of, the process. The process needs to be subsidised by the entrepreneur in order for entrepreneurs to take ownership of the support system. A clear definition should be available in terms of industry norms and standards. Businesses not meeting these standards need to be eliminated from the process and professional services should be supported. A detailed reference of their skills and experience should therefore be provided by mentors.

The programme must:
- provide training and support through relationship building;
- provide one on one exchange of information and skills transfer;
- build confidence and competence; and
- ensure that trust and confidentiality are keys to the relationship.

The focus is on:

- clearly defined objectives, defined time frames and objective measurable results
- experiential, practical and "on the job", and directly related to a particular situation
- Clear entry and exit points, and the entrepreneur should understand the costs involved.

The TEC will maintain a database of the mentors, according to their sector, level, area, rates and experience in their field. The entrepreneur will be matched to the mentor based on the needs of the clients and availability of the mentor.

A monitoring tool will be in place to ensure client satisfaction and the initial contract/agreement between the mentor and the client. The objectives stated in the agreement should be met in order to have a basis to work from should any complaints arise. The parties should agree to the stated objectives and sign an agreement to this effect.

This programme has been developed to provide assistance to the entrepreneurs after finance has been secured for their business ventures. Segmentation of the target market, in order to assist with the matching process makes sense, as mentors with different experience levels and from different sectors are required for a medium-sized enterprise as opposed to a micro enterprise.

The process has all the elements of a well-designed mentoring programme. Mentors have to go through a system of accreditation. Mentors and mentees will be linked via a database. From the onset, mentees will know what to expect from the process. Training and support is provided and a control system is in place to monitor and evaluate the program. Other positive aspects are that practical, on-the-job training and advice will be provided and that the programme will be marketed.

The fact that the entrepreneurs have to contribute towards the mentors' fees raises a question. What if an entrepreneur desperately needs a mentor, but cannot afford one?

2.6   IMPLEMENTING MENTORING

Conway (1998:31) has compiled a list of some key issues that should be considered before implementing mentoring. They are:

- What are your real requirements for a mentoring programme?
- Can a mentoring programme achieve them?
- Can your organizational culture support a mentoring initiative?
- Are top leaders committed?
- Will only volunteers be used in a mentoring programme?
- The role of the HR function as organizer of the mentoring programme.
- Should the process be managed by a dedicated internal or external consultant?
- Communicate the aims of the programme to all.
- Mentors need time and usually reasonable geographical proximity to their mentees.
- Women and minority groups especially can benefit from mentoring.
- There is no single mentoring personality profile – all mentors do it differently.

After taking the above-mentioned issues into consideration he developed the checklist illustrated in Table 2.5 for implementing mentoring.

Table 2.6: Conway's checklist for implementing mentoring

Before
- Why do you need a mentoring programme or some other paired support relationship?
- What are your aims with the programme?
- Is mentoring consonant with your organizational values?
- Who will be involved? Who will run the programme?
- What problems do you anticipate?

Mentor Profile
- Look for experienced, people-oriented mentors, interested in the development of others.
- Experience is more important than age in being a mentor.
- Provide appropriate training for participants.

Mentee Profile
- Decide who will be mentees and why.
- Choose acceptable and valuable mentees for the programme.

Who coordinates the Mentoring Programme?
- Persuade a member of top management to have overall responsibility for the program.
- Coordinators must have sound knowledge of the organization.
- Coordinators will need skills and personality to prevent problems.
- Coordinators should be responsible for the final choice of suitable participants, do the evaluation and be the scheme's protector.

How to achieve successful mentoring
- State the involvement and support of top management.
- Link the mentoring programme to other development effort.
- Organize a Mentoring Contract for your organization.
  - Make all participants aware of the potential risks, problems and benefits.
  - Orientate mentors, mentees and line managers before the programme begins.
  - Have a developmental diagnosis for each mentee.
  - Provide support for mentors and mentees.
  - Screen each mentor and mentee.
  - Monitor discreetly.
  - Implement an effective evaluation system linked to the objectives of the scheme.
  - Ensure confidentiality in the systems of the programme.
  - Ensure that mentors have sufficient time for and proximity to mentees.
  - Have a time limit for the duration of the mentoring programme.

After
- At the conclusion of the programme, encourage top management to evaluate its success in meeting its objectives
- Evaluate the programme during its progress and ensure that top management stays in touch with the process and is seen to do so, by becoming mentors themselves
- Debrief and obtain feedback, using an external source, to obtain an overall picture of the initiative.
- Ensure that the learning associated with the programme is widely shared.

Source: Adapted from Conway, 1998:32-36.

Conway (1998:28) has also developed a mentoring contract that effectively manages the expectations of all parties involved in the mentoring process and assists the organization in avoiding the black holes of implementation. The main headings of the mentoring contract are:

- A 'no fault' opt-out clause
- A two-way process
- What we are prepared to do / talk about
- Each other's expectations
- Time issues
- How much
- When
- What time / place or not
- Handling feedback
- Perceptions and subtlety
- Confidentiality of the relationship – trust / confidence
- Networking opportunities
- Life after 'the end'

The contract is not written down, though it could be. However, it forms the basis of a dialogue between the mentor and the mentee at the start of their mentoring relationship.

Conway's checklist is a useful tool that the TEC must consider before implementing their mentoring programme. This contract also guides the mentee and mentor relationship and if written down, can prevent future problems between the partners.

2.7 BENEFITS

Mentoring benefits mentors, protégés and organizations. Everyone wins (Scandura, Tejeda, Werther & Lankan, 1996: 54). Thus mentoring will benefit not only the mentee, but also the mentor as well as TABEISA.

Lacey (1999:14) states that the mentee gains access to the mentor's networks, acquires skills and knowledge and obtains a role model. Shea (1994:58) mentions that mentees have an opportunity to learn from the mentor's experiences, personal insights, knowledge and know-how. According to Murray and Owen (1991:43) mentees have an increased likelihood of success and spend less time on unimportant activities. Other relevant benefits are that a sense of self-worth and self-confidence can be gained, the mentee has a legitimate source of advice and information in the mentor and businesses from disadvantaged groups are given the necessary skills and knowledge which they may lack (IPM's Knowledge Resources booklet: 4).

Benefits for mentees outlined by Prinsloo (2001:32) are:
- Strategic
    - Gains access to world class capabilities;
    - Improves business focus;
    - Covers lack of internal resources;
    - Accelerates re-engineering benefits; and
    - Stays ahead of the market.
- Management
    - Provides employees with a higher level of skill and knowledge;
    - Frees staff to focus on more productive projects; and
    - Elevates the quality of work.

- Operational
    - Identifies strengths on which to capitalize and weaknesses to be eliminated;
    - Keeps you in the forefront of operational systems; and
    - Increases efficiency and effectiveness thereby adding value.
- Cost
    - No employee benefits, payroll, taxes or liabilities.

There are personal and professional benefits for mentors. Lacey (1999:13) indicates that mentors experience enhanced self-esteem, could develop a close relationship with the mentee, fulfill their own developmental needs, receive public recognition and acclaim and financial rewards.

TABEISA too can benefit by meeting their objectives which are the establishment of small businesses, the increased success rate of these businesses, capacity building and effective use of the European Union's (EU) funding. This could lead to future funding being made available. This is illustrated in Figure 2.3.

Figure 2.3: **The Mutual Benefits Model**
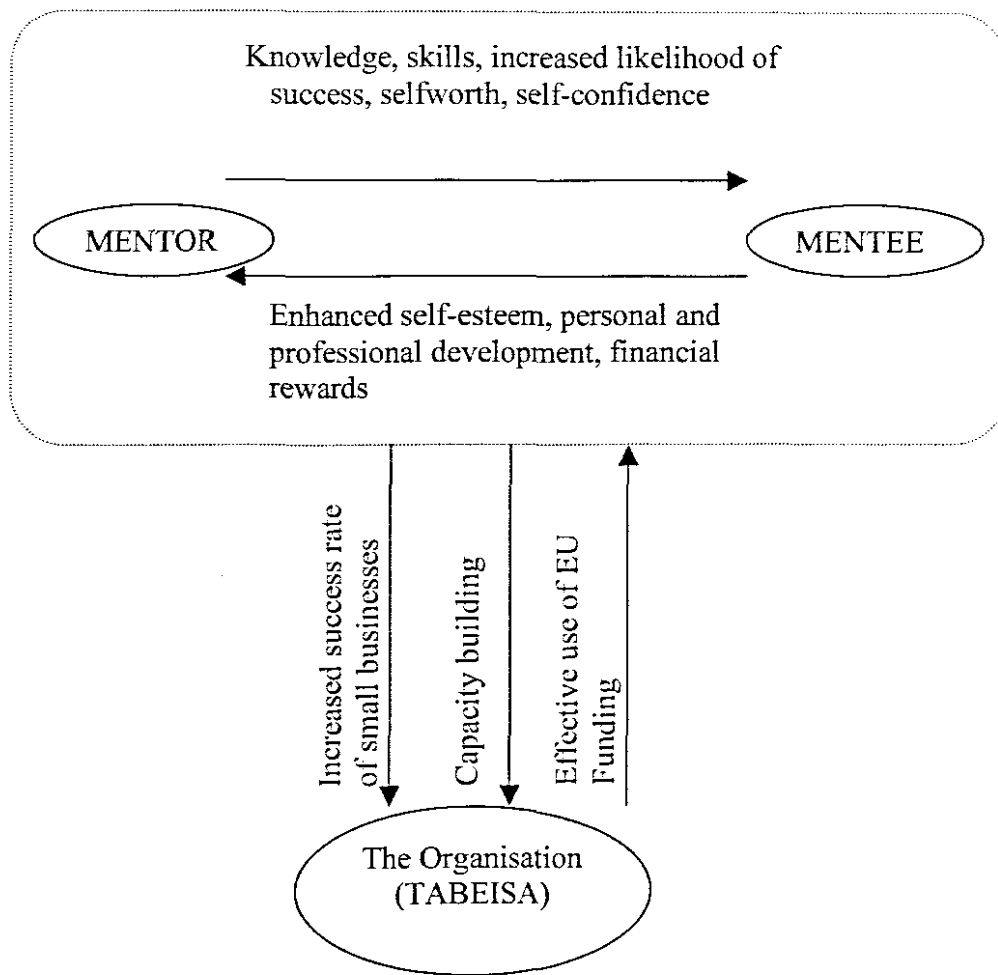
Source: Adapted from Zey, 1984:11.

2.8   DRAWBACKS

Although the benefits outweigh the drawbacks of a mentoring programme, it is important to be aware of such drawbacks. According to Lewis (2000:32), Lacey (2000:32), Broadbridge (1999:340) and Rigsby, Siegal and Spiceland (1998:109) the potential limitations are:

- Over-reliance on mentor
- Conflicting ideas between mentor and mentee

- Lack of chemistry – there can be a clash in personalities
- Mentor too forceful or directive
- Lack of appropriate skills
- Uncommitted mentees or mentors
- No or poor feedback from mentors
- Unrealistically high expectations
- Time-management issues
- Incompetent and untrained mentors

To avoid some of the above-mentioned problems, especially those that stem from unrealistic expectations, Duff in Bisk (2002:266) recommends that mentors and mentees take time at the very beginning of the relationship to lay the ground rules and to clarify their expectations. These actions can save a great of time and energy by avoiding raised expectations and the resulting disappointment and anger that follow when those expectations are not met. These ground rules will be useful to prevent the struggling entrepreneurs anticipating a miracle rather than sound advice.

The other problems can be eliminated by effective recruitment and training of mentors and mentees.

2.9   SUMMARY

This chapter reviews the relevant mentoring literature. It describes the various roles of mentors and the different types of mentoring. In addition, it looks at the key aspects that need to be considered before setting up a mentoring programme:

- defining the aims and purposes
- planning and resourcing
- selection and training and
- mentoring and the evaluation of mentoring

These criteria need to be taken into account by the TEC as they are planning to implement a mentoring programme.

The TEC's mentoring programme is reviewed and compared to other programmes. A checklist for implementing mentoring and Conway's mentoring contract are also discussed. Both of these are useful tools that can be adapted and used by the TEC.
Finally the benefits and drawbacks of mentoring are highlighted and suggestions are made to avoid problems that may arise in the mentoring relationship.

Based on the literature review, it is evident that mentoring can be an important resource for small business entrepreneurs to facilitate entrepreneurial activity and entrepreneurial learning. Mentoring can also assist entrepreneurs with the challenges that they may face as they move through the business life-cycle. The TEC has, with good intentions, developed a mentoring programme without conducting a needs analysis of their entrepreneurs, which is important to confirm the usefulness of this intervention. This is the gap that this study attempts to address.

CHAPTER 3

PLANNING THE EMPIRICAL RESEARCH PROJECT

3.1 INTRODUCTION

Mentoring is crucial for the success of survivalist and small entrepreneurs as they generally lack the necessary entrepreneurial skills and educational background required to grow their businesses. In order for a mentoring programme to be successful, it is important for the TEC to have a thorough understanding of the mentoring process and all its related elements. The process must also be supported by TABEISA and the director and manager of the TEC.

A needs assessment was conducted with the entrepreneurs of Peninsula Technikon's TEC. According to Rosset in Holton (2000:247), a needs assessment includes finding and disseminating information about:
1) optimal performance
2) actual performance
3) how key sources feel
4) what is causing the problem, and
5) solutions to close gaps between optimal and actual performance.

The aim of this needs assessment was to establish the current performance of the entrepreneurs, what their views were regarding mentoring, the causes of their problems and making recommendations to overcome these problems. Johnson (200:247) states that taking time to conduct a needs assessment can pay off in the long run, because it can help identify areas where the use of a product or technology would be beneficial. In this study, the needs of the TEC's entrepreneurs had to be established, in order to ascertain whether mentoring was the suitable support intervention.

De Vos (1998:24) suggests that there are different ways in which a needs assessment can be executed. One group of methods requires that existing sources be tapped, while another group requires the gathering of new information. Gathering new material can be executed through a community forum, the use of key informants, and surveys. In this study, new information was gathered by means of a survey.

This chapter outlines the study objectives and the research design that was used to address the research problem. The research design consists of:

- Sampling Plan:
    - Population of interest
    - Data collection method
    - Sampling frame
    - Sampling method
    - Sample size
- Analysis of data; and
- Evaluation of feedback.

3.2   STATEMENT OF OBJECTIVES

The primary objective of the empirical research project was to ascertain whether mentoring is an appropriate support intervention for the entrepreneurs of Peninsula Technikon's TEC.

Secondary objectives addressed by the empirical study were:

- to determine the needs of the mentees of the TEC; and
- to determine the criteria necessary for selecting and training mentors.

3.3 RESEARCH DESIGN

Mouton (1996:107) compares the research design of a project to a journey planner. If we consider what goes into the planning of a journey we get some idea of the functions of a research design. Research design is a set of guidelines and instructions on how to reach the goal that the researcher has set for him/herself. In essence, a research design is a plan or blueprint of how you intend to conduct the research.(Mouton,2001:55).

The process followed during this study involved secondary and quantitative research. A literature review on the relevant areas of this research was conducted. Secondary objectives that were addressed by the literature review were:

- To determine the purpose of mentoring;
- To identify the elements of a mentoring programme; and
- To determine the benefits and pitfalls of a mentoring programme

Primary information was collected through surveys using a structured questionnaire with the TEC's entrepreneurs. The questionnaire was completed by means of a personal interview except in one instance where a telephonic interview was conducted due to time constraints.

3.4 SAMPLING PLAN

3.4.1 Population of interest

The population of the research project consisted of all the entrepreneurs supported by the TEC at Peninsula Technikon at the time of the study. The population consisted of thirty-nine entrepreneurs (see Annexure A). Most of the entrepreneurs were survivalist and small entrepreneurs with 0-8 people in their employ. A number of the entrepreneurs worked from home or leased their business premises. The population predominantly consisted of start-up and new businesses which were a few months to 5

years old. The population was categorized into the manufacturing, retail and service sectors.

3.4.2 Data Collection Method

Surveys were conducted using a structured questionnaire (see Annexure B). Garbers (1996:288) gives the following characteristics of surveys. They

- can accommodate any research goal;
- are usually representative;
- are either longitudinal or cross-sectional; and
- are usually independent of a specific context.

The questionnaire consisted of a cover page, a page listing the interviewer's first impressions and eight other parts.

The cover page explained the purpose of the questionnaire and included the business details of the owner.

First impressions dealt with aspects such as where the entrepreneur worked from, accessibility of the business, interior and exterior conditions of the business, appearance and approachability of staff and whether the owner was registered for income tax, provisional tax and VAT.

The other parts covered the following areas:

Part A	-	Background of owner
Part B	-	Strategy
Part C	-	Administration and Personnel
Part D	-	Financial Management
Part E	-	Budgets
Part F	-	Marketing
Part G	-	Production Processes
Part H	-	General questions on mentoring

The types of questions that were used in the questionnaire were:

- open-ended;
- dichotomous; and
- scaled response questions.

3.4.3 Sampling Frame

According to Welman and Kruger (1994:47) a sampling frame is a complete list on which each unit of analysis is mentioned only once. The sampling frame consisted of a list of all the entrepreneurs that had links with Peninsula Technikon's TEC at the time of the study (see Annexure A). These entrepreneurs were supported by the TEC in the areas of business plan development, registration of close corporations, drafting of profiles or obtaining finance. Although the sampling frame was made available by the TEC, some of the telephone numbers were missing or incorrect and this hampered the research process.

3.4.4 Sampling Method

The cluster sampling method was used in the first phase and availability sampling in the second phase. According to McDaniel and Gates (2001:344), a cluster sample is a probability sample drawn from a sample of geographic areas. The advantage of this sampling method is the reduction of travel time and expenses.

- The first cluster consisted of all the entrepreneurs that were based or worked at Peninsula Technikon.
- The second cluster consisted of entrepreneurs working in the Northern Suburbs like Bellville and Kuilsriver.
- The third cluster consisted of the City Bowl and Southern Suburbs.

Each entrepreneur in the individual clusters was contacted telephonically.

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3.4.5 Sample Size

The sample size was determined by the number of respondents that could be reached telephonically and could avail themselves for an appointment within a given time period.

Even though a few problems occurred (see evaluation of feedback), 24 out of the 39 entrepreneurs (62%) illustrated in Table 3.1 were interviewed.

Table 3.1: Composition of Sample

Description of Product

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Adminstrative services	1	4.2	4.2	4.2
	Auto mechanical service & repair	1	4.2	4.2	8.4
	Baking biscuits	1	4.2	4.2	12.6
	Book binding	1	4.2	4.2	16.8
	Clothing	1	4.2	4.2	21.0
	Communication & computer networking	1	4.2	4.2	25.2
	Engineering products	1	4.2	4.2	29.4
	Entertainment	1	4.2	4.2	33.6
	Ethnic restaurant	1	4.2	4.2	37.8
	Graphic design services	1	4.2	4.2	42.0
	Horticultural displays	1	4.2	4.2	46.2
	Installation of securtiy equipment	1	4.2	4.2	50.4
	IT Consulting	1	4.2	4.2	54.6
	Leathergood	1	4.2	4.2	58.8
	Light to medium engineering	1	4.2	4.2	63.0
	Mail services	1	4.2	4.2	67.2
	Photography business	1	4.2	4.2	71.4
	Printing	1	4.2	4.2	75.6
	Product development & Engineering	1	4.2	4.2	79.8
	Security services	1	4.2	4.2	84.0
	Short term insurance	1	4.2	4.2	88.2
	Sports agency service	1	4.2	4.2	92.4
	Textiles & soft goods	1	4.2	4.2	96.6
	Tiling	1	4.2	4.2	100.0
	Total	24	100.0	100.0	

The sample can be accepted as being representative, as respondents represented all fields i.e. the manufacturing, retailing and service industries. Two of the entrepreneurs contacted who were not available for an appointment, a builder and a carpet cleaner, belonged to the service sector. A bigger sample would not have increased the

Table 3.2:   Composition of sample per industry

Type of Business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	service	18	75.0	75.0	75.0
	manufacturing	3	12.5	12.5	87.5
	retailing	1	4.2	4.2	91.7
	manufacture & retail	2	8.3	8.3	100.0
	Total	24	100.0	100.0	

3.4.6   Analysis of Data

Twenty-four questionnaires were completed. The questionnaires were coded and all the data was entered into a statistical programme resulting in each questionnaire having 127 variables. SPSS version 11 for windows was used to analyse the data.

3.4.7   Evaluation of feedback

Most respondents reacted favourably to the request to participate in the survey. In fact, most of them welcomed the idea that they would be receiving additional assistance from the TEC.

Some of the problems encountered were:

- some telephone numbers were missing
- other numbers were incorrect
- some of the entrepreneurs did not return the calls
- due to the nature of their business ie. building or carpet cleaning industry, they could not avail themselves for an interview
- other entrepreneurs were out of town
- a few did not arrive for their interviews
- some businesses had not started operating and
- others had stopped operating.

3.5   SUMMARY

This chapter describes the empirical research planning of the primary research project conducted with the entrepreneurs of Peninsula Technikon's TEC.

An overview of a needs analysis and its objectives is provided.   The primary and secondary objectives are stated.   The main objective of the study was to determine whether a mentoring programme would be an appropriate support intervention for the TEC's entrepreneurs.

Cluster sampling using geographical proximity in the first phase and availability sampling in the second phase was used.   Questionnaires were completed through structured interviews. A sample size of 62% was achieved.

The findings of this research should provide an overview of the businesses and identify whether they want to be mentored and what areas they need to be mentored in.   The gender preference, location for meetings and the ideal characteristics of the mentors should also be identified.

CHAPTER 4

RESULTS AND INTERPRETATION

4.1   INTRODUCTION

The findings of the primary research project should prove valuable to all the TABEISA stakeholders, especially the TEC, as it will inform the implementation of their mentoring programme.

This chapter represents the findings of the needs analysis conducted with twenty-four respondents, in order to determine whether mentoring is the appropriate developmental process for the TEC's entrepreneurs, as well as the areas in which they need assistance.

The findings of the following areas are provided:
- Business profile
- First impressions
- Background of owner
- Strategy
- Administration and Personnel
- Financial management
- Budgets
- Marketing
- Production processes
- General

A discussion of each section in the questionnaire is provided. The interpretation of the responses to each section is supported by a table or figure or both.

4.2 BUSINESS PROFILE

Table 4.1:   **Number of businesses per industry:**

Type of Business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	service	18	75.0	75.0	75.0
	manufacturing	3	12.5	12.5	87.5
	retailing	1	4.2	4.2	91.7
	manufacture & retail	2	8.3	8.3	100.0
	Total	24	100.0	100.0	

Comments

The businesses were categorized into the service, manufacturing and the retailing industry. It was evident that most of the entrepreneurs were service providers. This suggests that there were more work opportunities in the service industry and that mentors with experience in this sector need to be recruited.

Table 4.2:   **Number of employees:**

Number of employees

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	9	37.5	37.5	37.5
	1	2	8.3	8.3	45.8
	2	4	16.7	16.7	62.5
	3	2	8.3	8.3	70.8
	4	5	20.8	20.8	91.7
	6	1	4.2	4.2	95.8
	8	1	4.2	4.2	100.0
	Total	24	100.0	100.0	

Comments

Nine of the businesses had no employees. This is an indication that these owners were either sole proprietors, a partnership that had recently started a business or entrepreneurs who, due to a lack of contracts or low sales turnover, were not in a position to employ manpower. Only two businesses had six and eight employees respectively, which suggests that higher turnovers were being achieved.

4.3   FIRST IMPRESSIONS

This part provides an overview of the impressions of the business in terms of location, aesthetics and service provision of staff.

Table 4.3:   Location of entrepreneurs

Where does the entrepeneur work from

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	home	10	41.7	41.7	41.7
	own premises	1	4.2	4.2	45.8
	leased premises	10	41.7	41.7	87.5
	office is part of larger organisation	3	12.5	12.5	100.0
	Total	24	100.0	100.0	

Comments

It is obvious that a number of the businesses were home-based, as 42% worked from home. This is an indication of the size and financial position of the business. Generally, when most entrepreneurs grow, they move to larger premises.

Table 4.4:   Ease in finding the business

Ease of finding the business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	easy	11	45.8	47.8	47.8
	relatively easy	9	37.5	39.1	87.0
	difficult	3	12.5	13.0	100.0
	Total	23	95.8	100.0	
Missing	System	1	4.2		
Total		24	100.0		

Table 4.5:   Accessibility to target markets

Accessibility to target markets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	easy	7	29.2	33.3	33.3
	relatively easy	8	33.3	38.1	71.4
	difficult	6	25.0	28.6	100.0
	Total	21	87.5	100.0	
Missing	System	3	12.5		
Total		24	100.0		

Comments

Most of the businesses were relatively easy to find and also relatively accessible to their target markets. The fact that the businesses were accessible was very positive, as accessibility is one of the most important criteria for location.

The entrepreneurs who were difficult to access needed to review their location if they wanted to be successful.

Table 4.6: Exterior conditions of the business

Exterior conditions (include signage)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	good	1	4.2	5.0	5.0
	average	6	25.0	30.0	35.0
	poor	13	54.2	65.0	100.0
	Total	20	83.3	100.0	
Missing	System	4	16.7		
Total		24	100.0		

Table 4.7: Interior conditions of the business

Interior conditions (layout, lighting, tidiness)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	excellent	2	8.3	11.1	11.1
	good	7	29.2	38.9	50.0
	average	6	25.0	33.3	83.3
	poor	3	12.5	16.7	100.0
	Total	18	75.0	100.0	
Missing	System	6	25.0		
Total		24	100.0		

Comments

Although 85% of the interior conditions were acceptable, 65%'s exterior conditions were poor. This could have been due to financial reasons or the fact that the entrepreneurs did not realize the importance of creating a good first impression.

Table 4.8: Appearance of staff

Dress code and appearance of staff?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	excellent	7	29.2	33.3	33.3
	good	8	33.3	38.1	71.4
	average	6	25.0	28.6	100.0
	Total	21	87.5	100.0	
Missing	System	3	12.5		
Total		24	100.0		

TABLE 4.9:   Attitude of staff

Friendliness of staff, nature of greeting / acknowledgement?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	excellent	15	62.5	62.5	62.5
	good	7	29.2	29.2	91.7
	average	2	8.3	8.3	100.0
	Total	24	100.0	100.0	

Comments

The dress code and friendliness of the staff were generally satisfactory. These aspects are positive as customers judge businesses on how their staff present themselves and how they treat customers.

TABLE 4.10:   Income tax

Is the business registered for income tax purposes?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	10	41.7	41.7	41.7
	no	14	58.3	58.3	100.0
	Total	24	100.0	100.0	

TABLE 4.11:   Provisional tax

Is the owner registered as a provisional taxpayer?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	12	50.0	50.0	50.0
	no	12	50.0	50.0	100.0
	Total	24	100.0	100.0	

TABLE 4.12:   **VAT**

Is the business registered for VAT?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	7	29.2	30.4	30.4
	no	16	66.7	69.6	100.0
	Total	23	95.8	100.0	
Missing	System	1	4.2		
Total		24	100.0		

Comments

42% of the entrepreneurs was registered for income tax purposes and 50% for provisional tax. As entrepreneurs are generally fearful of revealing their tax status, these figures may be inflated. However, this still gives an indication that a large percentage was not registered for provisional or income tax purposes.

Approximately a third of the businesses were registered for VAT. This figure could also be inflated, but even 30% is a very small portion of the businesses. This is a clear signal that many of these businesses were informal and urgently in need of assistance to grow.

Because these statistics are so significant they have been collectively illustrated in Figure 4.1.

Figure 4.1:   **Types and percentages of tax that the entrepreneurs registered for:**
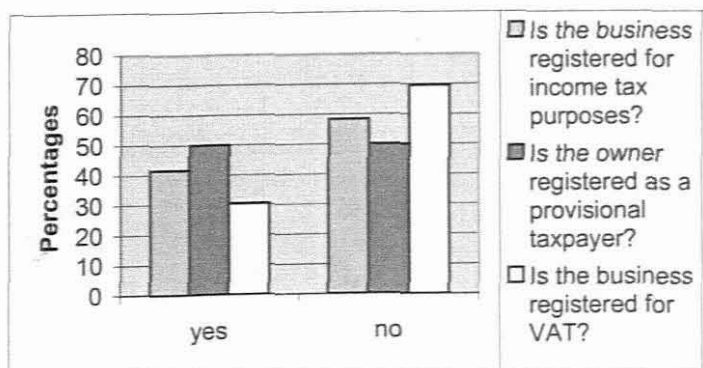
Reasons provided for not being registered were:

- the required income of R30 000 p/a was not being earned.
- most of the businesses were small or the survivalist type.
- the business had just started.

4.4 BACKGROUND OF THE OWNERS

This part details the qualifications and previous employment history of the owners as well as the age of the businesses.

Table 4.13: Industry-related qualifications of the entrepreneurs:

Qualification of owner/manager in the area of her/his business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	none	6	25.0	25.0	25.0
	short courses	7	29.2	29.2	54.2
	workshops	1	4.2	4.2	58.3
	diploma	5	20.8	20.8	79.2
	degree	3	12.5	12.5	91.7
	certificate	2	8.3	8.3	100.0
	Total	24	100.0	100.0	

Table 4.14: Business- related qualifications of the entrepreneurs:

Qualification of owner/manager in running a business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	none	8	33.3	34.8	34.8
	short courses	13	54.2	56.5	91.3
	diploma	2	8.3	8.7	100.0
	Total	23	95.8	100.0	
Missing	System	1	4.2		
Total		24	100.0		

Comments

Less than half of the owners had not attained a formal qualification like a degree, diploma or a certificate in the area of their business. A third had attended workshops or short courses and a quarter had no formal or informal qualifications. In total, 58% had no formal qualifications in the area of their businesses and were running their businesses on past experience or "gut" feeling.

This indicates that a mentor with the necessary skills and qualifications certainly was needed to guide these entrepreneurs.

Only 8% had obtained a qualification in running a business i.e. a management diploma, and 54% had attended short courses. 33% had no qualifications in running a business and thus needed a mentor with business skills.

TABLE 4.15: Previous employment

Were you formally employed in the area of your business?

		Frequency	Percent	Valid	Cumulative Percent
Valid	yes	15	62.5	62.5	62.5
	no	9	37.5	37.5	100.0
	Total	24	100.0	100.0	

Comments

Some of the entrepreneurs were not previously employed in the area of their business, thus they could have done with assistance from someone with expertise in that particular field.

Figure 4.2: **Age of businesses:**

How long have you been operating your own business
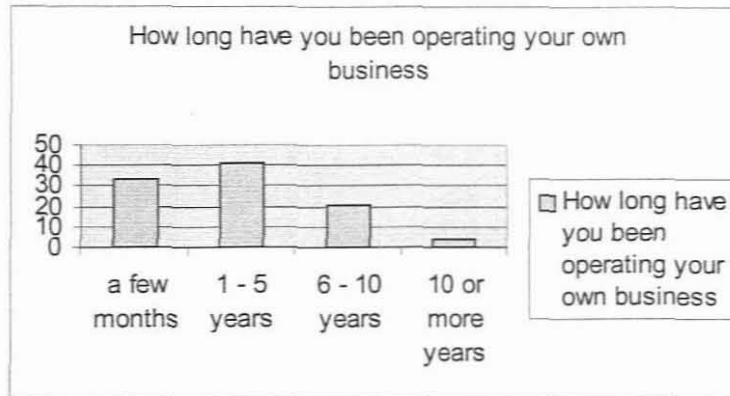
Comments

A third of the businesses had only been operating for a few months and 42% between 1-5 years. Most of the entrepreneurs therefore were start-up or new businesses, and with the right mentors could have avoided failure, as this is a critical stage for any business .

4.5 STRATEGY

This part provides information regarding the strategic elements of the businesses.

TABLE 4.16: **Importance of strategic planning**

Please rate the importance of strategic (future) planning for your business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	18	75.0	75.0	75.0
	important	6	25.0	25.0	100.0
	Total	24	100.0	100.0	

TABLE 4.17:   Existence of a strategic plan

Does your business have a strategic plan?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	9	37.5	37.5	37.5
	no	15	62.5	62.5	100.0
	Total	24	100.0	100.0	

TABLE 4.18:   Development of the strategic plan

If, yes who did it?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I did it	5	20.8	55.6	55.6
	Provided info for someone else	4	16.7	44.4	100.0
	Total	9	37.5	100.0	
Missing	System	15	62.5		
Total		24	100.0		

TABLE 4.19:   Entrepreneur's intentions to grow

Do you expect to grow your business over the next 5 years?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	24	100.0	100.0	100.0

Comments

Although all the respondents stated that it was important to engage in strategic planning and all of them wanted to grow their businesses over the next five years, 62% did not have a strategic plan.

Reasons provided for not having a strategic plan were:

- Lack of skill
- Lack of time
- Lack of finance.

It is vital for any business to have a strategic plan in order to grow. It appears as if the entrepreneurs had goals, but no strategies in place to achieve them. As strategies are crucial for business success, the irony of goals without strategies is illustrated in Figure 4.3.

Figure 4.3:   Strategic plans vs. medium-term growth:
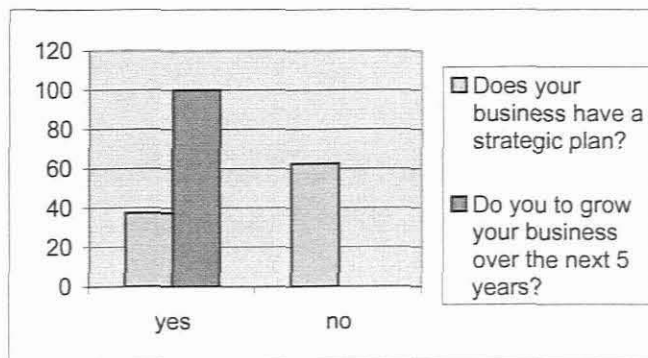
TABLE 4.20:   Importance of mission and vision

Please rate the importance of mission and vision for your business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	20	83.3	90.9	90.9
	important	2	8.3	9.1	100.0
	Total	22	91.7	100.0	
Missing	System	2	8.3		
Total		24	100.0		

TABLE 4.21:   **Mission and a Vision**

Does your enterprise have a mission and vision?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	none	5	20.8	21.7	21.7
	vision	1	4.2	4.3	26.1
	mission	7	29.2	30.4	56.5
	both	10	41.7	43.5	100.0
	Total	23	95.8	100.0	
Missing	System	1	4.2		
Total		24	100.0		

Comments

Everyone felt that it was important for their businesses to have a mission and a vision. 4% had a vision, 30% a mission and 43% had a vision or a mission.

Although the missions and visions were not always recorded, most of the entrepreneurs could verbalize it. This is another area where these entrepreneurs could have been assisted, as it is important for entrepreneurs to have their mission and vision on paper in order for them to know what they want to achieve and then work towards it.

TABLE 4.22:   **Assistance required to draft a strategic plan**

If you do not have a strategic plan, would you like some assistance in drawing one?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	17	70.8	77.3	77.3
	no	5	20.8	22.7	100.0
	Total	22	91.7	100.0	
Missing	System	2	8.3		
Total		24	100.0		

Comments

A large number indicated that they would have liked some assistance in drawing up a strategic plan. This is a step in the right direction. With the assistance of a strategy expert, positive outcomes could be achieved.

TABLE 4.23:   The importance of a business plan

Please rate the importance of business plan for your business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	18	75.0	75.0	75.0
	important	6	25.0	25.0	100.0
	Total	24	100.0	100.0	

TABLE 4.24:   Existence of a business plan

Does your enterprise have a business plan?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	17	70.8	70.8	70.8
	no	7	29.2	29.2	100.0
	Total	24	100.0	100.0	

TABLE 4.25:   Drafting of the business plan

If yes, who wrote the business plan?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I did it	2	8.3	11.8	11.8
	Provided info for someone else	14	58.3	82.4	94.1
	Not involved	1	4.2	5.9	100.0
	Total	17	70.8	100.0	
Missing	System	7	29.2		
Total		24	100.0		

TABLE 4.26:   **Value of the Business Plan**

If you have a business plan, does it guide the day to day running of your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	8	33.3	44.4	44.4
	no	10	41.7	55.6	100.0
	Total	18	75.0	100.0	
Missing	System	6	25.0		
Total		24	100.0		

TABLE 4.27:   **Assistance required in drafting a business plan**

If you do not have a business plan, would you like some assistance in drawing one?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	10	41.7	55.6	55.6
	no	8	33.3	44.4	100.0
	Total	18	75.0	100.0	
Missing	System	6	25.0		
Total		24	100.0		

Comments

All of the respondents stated that it was important for an entrepreneur to have a business plan, yet 29% did not have one. Most of the business plans had been drawn up by the TEC. Entrepreneurs thus were not in a position to write their own business plans.

More than half of the business plans did not guide the day-to-day running of the businesses. This was an area that needed to be reviewed as most of the business plans were being written for finance purposes and were not user-friendly.

Reasons provided for the business plan not guiding the day-to-day running of the business were:

- Some businesses were seasonal
- Not enough contracts secured
- Initial research inadequate
- The target market had changed.

Although 29% did not have business plans, 42% indicated that they would have liked assistance in drawing up one. This indicates that some entrepreneurs would have liked to redo their business plans.

4.6 ADMINISTRATION AND PERSONNEL

TABLE 4.28: Importance of administration

Please rate the importance of administration and administrative processes for your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	15	62.5	62.5	62.5
	important	4	16.7	16.7	79.2
	of little importance	4	16.7	16.7	95.8
	not important	1	4.2	4.2	100.0
	Total	24	100.0	100.0	

TABLE 4.28: Status of the entrepreneurs administrative work

Is your administrative work always up to date?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	15	62.5	62.5	62.5
	no	9	37.5	37.5	100.0
	Total	24	100.0	100.0	

TABLE 4.29:   Stationery

Does the business have proper stationery, incl. letterheads and business cards?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	19	79.2	79.2	79.2
	no	5	20.8	20.8	100.0
	Total	24	100.0	100.0	

Comments

Most felt that administration was important for their businesses, yet quite a few of the entrepreneurs' administration work was not up to date.

Reasons provided were:

- Lack of time
- Insufficient funds to employ personnel
- Too much work
- No administrative assistant
- No administration

When an entrepreneur's administration is not up to date, this could have a negative impact on the business as a whole. S/he might not be aware of whether orders are outstanding, which material has to be acquired, which leads must be followed up or delayed, etc. This may leave an impression of unprofessionalism.

TABLE 4.30:   Benefits for personnel

Please rate the importance of providing benefits for your personnel?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	11	45.8	45.8	45.8
	important	6	25.0	25.0	70.8
	of little importance	2	8.3	8.3	79.2
	not important	5	20.8	20.8	100.0
	Total	24	100.0	100.0	

TABLE 4.31:   Tea and lunch breaks

Which of the following benefits are offered to your personnel? Tea & lunch
breaks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	16	66.7	88.9	88.9
	no	2	8.3	11.1	100.0
	Total	18	75.0	100.0	
Missing	System	6	25.0		
Total		24	100.0		

TABLE 4.32:   Annual increases

Which of the following benefits are offered to your personnel? Annual
increase

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	13	54.2	72.2	72.2
	no	5	20.8	27.8	100.0
	Total	18	75.0	100.0	
Missing	System	6	25.0		
Total		24	100.0		

TABLE 4.33:   Pension

Which of the following benefits are offered to your personnel? Pension

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	1	4.2	5.6	5.6
	no	17	70.8	94.4	100.0
	Total	18	75.0	100.0	
Missing	System	6	25.0		
Total		24	100.0		

Comments

A large number felt that the provision of benefits for their personnel were important, yet
the majority were not in a position to offer these benefits, due to a lack of finance.

Benefits that were offered frequently were tea and lunch breaks, annual increases and bonuses. These are basic benefits that are generally expected by staff.

Benefits such as pension and medical aid were not offered by 94% of the entrepreneurs and sick leave was not offered by 67%. This signals that the businesses were not established enough to offer these kinds of benefits.

TABLE 4.34:   Contribution to other funds

Does your business make any contribution to any of the following funds?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Pension fund	1	4.2	4.2	4.2
	Retirement fund	2	8.3	8.3	12.5
	Don't belong o a fund	19	79.2	79.2	91.7
	UIF	1	4.2	4.2	95.8
	Pen fund & retire annuity	1	4.2	4.2	100.0
	Total	24	100.0	100.0	

Comments

Most of the entrepreneurs did not belong to a retirement annuity or pension fund. Reasons for not providing benefits to personnel were:

- Insufficient funds
- Business recently started
- No employees
- Business too small
- Informal business
- Seasonal business

The above-mentioned reasons once again confirm the size and the generally poor financial position of the entrepreneurs.

TABLE 4.35:   **Importance of insurance**

Please rate the importance of insurance for your business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	11	45.8	45.8	45.8
	important	6	25.0	25.0	70.8
	of little importance	6	25.0	25.0	95.8
	not important	1	4.2	4.2	100.0
	Total	24	100.0	100.0	

Figure 4.36:   **Insurance status of the businesses**

Is the business insured?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	7	29.2	29.2	29.2
	no	17	70.8	70.8	100.0
	Total	24	100.0	100.0	

Comments

Although 71% indicated that insurance was important, the same percentage had not insured their businesses.

Reasons provided for not insuring the businesses were:

- Lack of funds / too expensive
- Service provider / no tangible assets
- Business just started
- Work from home

Insurance is essential for any business, even when there are no tangible assets or whether the entrepreneur is working from home. If the equipment, tools or car of the entrepreneur is stolen, s/he has nothing to fall back on and will lose everything.

4.6   FINANCIAL ACCOUNTING

TABLE 4.37:   Relationship with the bank manager

Do you know the bank manager personally?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	6	25.0	26.1	26.1
	no	17	70.8	73.9	100.0
	Total	23	95.8	100.0	
Missing	System	1	4.2		
Total		24	100.0		

TABLE 4.38:   Separate personal and business bank accounts

Are separate personal and business bank accounts maintained?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	14	58.3	60.9	60.9
	no	9	37.5	39.1	100.0
	Total	23	95.8	100.0	
Missing	System	1	4.2		
Total		24	100.0		

Comments

Most of the entrepreneurs did not know their bank manager, which is another indication that they "had not arrived yet". Well established businesses normally develop relationships with their bank managers.

Some did not maintain separate personal and business accounts. Reasons provided for not maintaining separate accounts were:

- Business recently started
- Business is not making enough money
- Business too small
- Lack of co-operation from bank
- Informal business
- Business forms part of a larger organization.

This is another sign that the entrepreneurs desperately needed to grow.

TABLE 4.39:   **Importance of financial accounting**

Please rate the importance of financial accounting for your business.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	19	79.2	82.6	82.6
	important	3	12.5	13.0	95.7
	of little importance	1	4.2	4.3	100.0
	Total	23	95.8	100.0	
Missing	System	1	4.2		
Total		24	100.0		

TABLE 4.40:   **Accounts**

Are books of accounts maintained?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	15	62.5	62.5	62.5
	no	9	37.5	37.5	100.0
	Total	24	100.0	100.0	

TABLE 4.44:   **Accounts**

Who does your accounts?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I do	7	29.2	35.0	35.0
	internal accountant	3	12.5	15.0	50.0
	external accountant	9	37.5	45.0	95.0
	not applicable	1	4.2	5.0	100.0
	Total	20	83.3	100.0	
Missing	System	4	16.7		
Total		24	100.0		

TABLE 4.46:   **Are the accounts up to date**

Are your accounts up to date

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	14	58.3	63.6	63.6
	no	8	33.3	36.4	100.0
	Total	22	91.7	100.0	
Missing	System	2	8.3		
Total		24	100.0		

Comments

Most of the respondents stated that financial accounting was important for their business, yet 38% did not keep any record of their accounts and 36% accounts were not up to date. Reasons provided for the accounts not being up to date were:

- Time constraints
- Informal business
- Too few accounts

An effective bookkeeping system is vital for the success of any business. This worrying situation is reflected in Figure 4.5.

Figure 4.5:   **Accounting information of the entrepreneurs:**
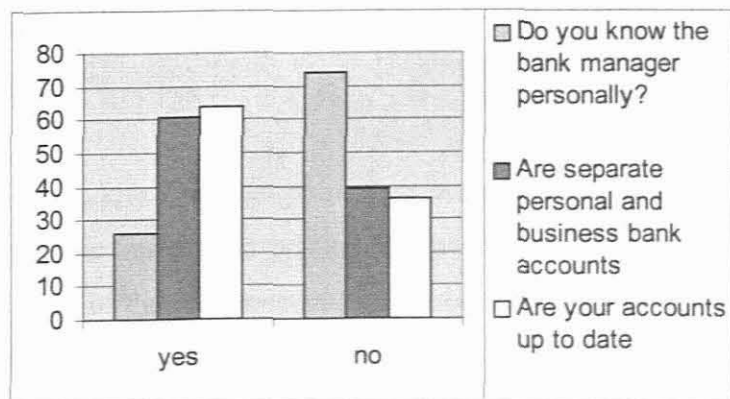
TABLE 4.47:   **Profit Situation**

Is your company making a profit?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	13	54.2	54.2	54.2
	no	11	45.8	45.8	100.0
	Total	24	100.0	100.0	

TABLE 4.48:   **Knowledge of the break-even point of the business**

Do you know what the breakeven turnover of the business is?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	9	37.5	37.5	37.5
	no	15	62.5	62.5	100.0
	Total	24	100.0	100.0	

Comments

Although 54% stated that they were making a profit, 63% did not know what the break-even turnover of their business was. Reasons for not making a profit were:

- the business was still new
- seasonal business
- not enough contracts
- lack of sales.

Any entrepreneur needs to know at what point their business is breaking even in order to determine whether their business is profitable. The contradictory percentages is a clear indication that most of the entrepreneurs seriously needed a mentor. This is also reflected in Figure 4.6.

Figure 4.6:   Profit status vs break-even knowledge
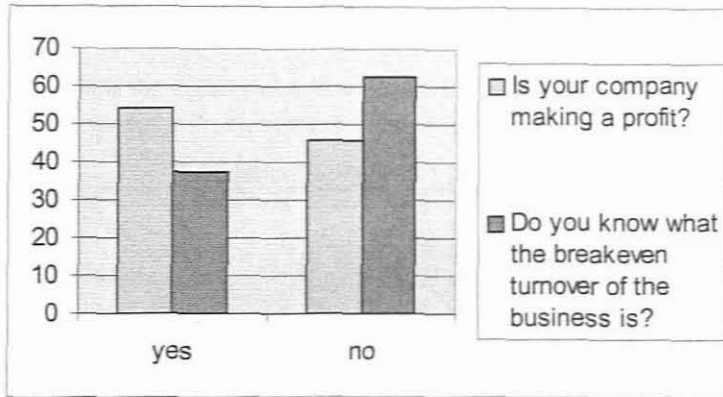
TABLE 4.49:   Cash shortage

Do you experience a cash shortage?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	15	62.5	62.5	62.5
	no	9	37.5	37.5	100.0
	Total	24	100.0	100.0	

Comments

A large number of the respondents experienced a cash shortage because they:

- were working out of their personal funds;
- needed money to purchase equipment;
- had no reserves to draw from;
- expenses exceeded income; and
- had outstanding payments for work.

This again confirmed the poor financial status of most of the companies.

4.7   BUDGETS

TABLE 4.50:   Importance of budgets

Please rate the importance of budgets for your business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	15	62.5	62.5	62.5
	important	7	29.2	29.2	91.7
	of little importance	1	4.2	4.2	95.8
	not important	1	4.2	4.2	100.0
	Total	24	100.0	100.0	

TABLE 4.51:   Status of budgets

Are budgets completed for the business?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	10	41.7	41.7	41.7
	no	14	58.3	58.3	100.0
	Total	24	100.0	100.0	

TABLE 4.52:   Comparison of budgeted figures with actual figures

How often do you compare these budget figures with the actual figures?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	regularly	8	33.3	47.1	47.1
	occasionally	2	8.3	11.8	58.8
	never	7	29.2	41.2	100.0
	Total	17	70.8	100.0	
Missing	System	7	29.2		
Total		24	100.0		

TABLE 4.52:   **Assistance with budgets**

Would you like some assistance in drawing budgets?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	15	62.5	65.2	65.2
	no	8	33.3	34.8	100.0
	Total	23	95.8	100.0	
Missing	System	1	4.2		
Total		24	100.0		

Comments

Most of the respondents stated that budgeting was important, yet 58% had not completed budgets for their businesses and only 33% compared budgeted figures with actual figures. Many businesses were not planning ahead and were operating on a day-to-day business. This is a cause for concern, as budgeting is an essential activity for any business.

4.8   MARKETING

Table 4.53:   Importance of Marketing:

Please rate the importance of marketing for your business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	21	87.5	87.5	87.5
	important	3	12.5	12.5	100.0
	Total	24	100.0	100.0	

TABLE 4.54:   **Marketing Plan**

Do you have a marketing plan?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	4	16.7	16.7	16.7
	no	20	83.3	83.3	100.0
	Total	24	100.0	100.0	

Comments

All of the respondents felt that marketing was very important for their business, yet 83% did not have a marketing plan. This is another area that needed serious attention, as marketing is crucial to the success of any business.

TABLE 4.55:   **Competitive advantage**

Is there anything unique or special about the business that is different to their competitors?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	23	95.8	95.8	95.8
	no	1	4.2	4.2	100.0
	Total	24	100.0	100.0	

TABLE 4.56:   **Customer Needs Analysis**

Have you done a Customer Needs Analysis?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	9	37.5	37.5	37.5
	no	15	62.5	62.5	100.0
	Total	24	100.0	100.0	

Comments

Although most stated that there was something unique about their business, 63% had not done a customer needs analysis. One can only satisfy the needs of your customers if you know what they want/need. This is the key to the success of any business. This is another area that needs to be attended to.

Figure 4.7:   **Pricing Strategy**

How competitive are your prices in relation to competitors?
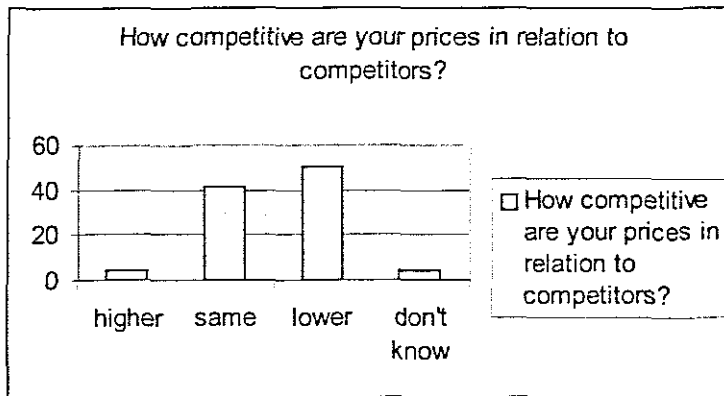
Comments

Half of the entrepreneurs' prices were lower than that of their competitors. Although this could be an effective pricing strategy, instances where entrepreneurs underquoted could prove to be fatal to the business.

TABLE 4.57:   **Monthly sales records**

Do you keep record of monthly sales?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	16	66.7	66.7	66.7
	no	8	33.3	33.3	100.0
	Total	24	100.0	100.0	

TABLE 4.58:   **Annual Sales Records**

Do you keep record of yearly sales?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	13	54.2	56.5	56.5
	no	10	41.7	43.5	100.0
	Total	23	95.8	100.0	
Missing	System	1	4.2		
Total		24	100.0		

TABLE 4.59:   **Cash vs Credit Sales**

Do you keep separate records regarding cash and credit sales?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	4	16.7	18.2	18.2
	no	18	75.0	81.8	100.0
	Total	22	91.7	100.0	
Missing	System	2	8.3		
Total		24	100.0		

Comments

More entrepreneurs kept a record of their monthly sales than annual sales. Where businesses were less than a year old, this was acceptable. Businesses that had been operating for more than a year needed to pay more attention to their business. Entrepreneurs did not engage in credit sales as the businesses were too small to engage in these kinds of transactions.

Table 4.60:   **Advertising percentages**

Do you advertise your products/services?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	13	54.2	54.2	54.2
	no	11	45.8	45.8	100.0
	Total	24	100.0	100.0	

Comment

Quite a few of the entrepreneurs did not advertise their products or services. This was an unfortunate situation, because if customers did not know of their existence, they would not grow. A business also has to spend money to make money.

4.9 PRODUCTION PROCESSES (Where applicable)

TABLE 4.61: Importance of Production Plans

Please rate the importance of a production plan for your business

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	very important	6	25.0	85.7	85.7
	important	1	4.2	14.3	100.0
	Total	7	29.2	100.0	
Missing	System	17	70.8		
Total		24	100.0		

TABLE 4.62: *Usage of Production Plans*

Do you use it?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	4	16.7	57.1	57.1
	no	3	12.5	42.9	100.0
	Total	7	29.2	100.0	
Missing	System	17	70.8		
Total		24	100.0		

TABLE 4.63:   **Stock Control Systems**

Do you have a stock control system?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	4	16.7	57.1	57.1
	no	3	12.5	42.9	100.0
	Total	7	29.2	100.0	
Missing	System	17	70.8		
Total		24	100.0		

TABLE 4.64:   **Quality Control**

Do you make use of quality control?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	7	29.2	100.0	100.0
Missing	System	17	70.8		
Total		24	100.0		

Comments

Only 7 of the respondents were manufacturers. The other respondents were in the service or retail industry. Although all of them felt that it was important to have a production plan, 43% did not use one, nor did they have a stock control system. This is another area that needs attention.

All of them had an informal or formal method of quality control, which was a positive aspect.

4.10   GENERAL

This part deals with general mentoring components.

Figure 4.9:   Percentage entrepreneurs that wanted advice in order to run their business more effectively

Would you like someone to advise you in certain areas of your business?

☐ yes definitely
■ yes
☐ maybe
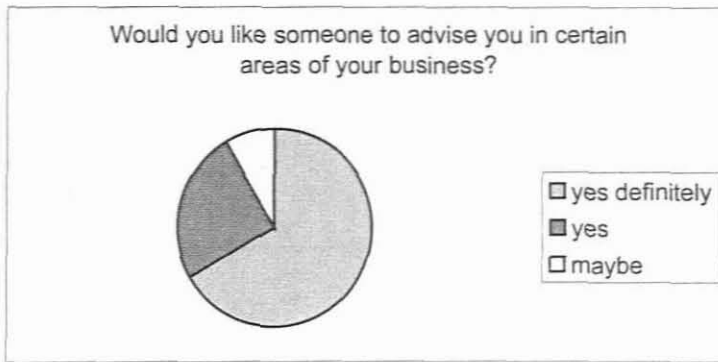
Comments

The majority wanted an advisor in certain areas of their business. It was clear that the entrepreneurs realized that they urgently needed assistance.

TABLE 4.65:   Administration

Please tick the areas would you like assistance in? Administration

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	15	62.5	100.0	100.0
Missing	System	9	37.5		
Total		24	100.0		

TABLE 4.66:   **Personnel**

Please tick the areas would you like assistance in? Personnel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	11	45.8	100.0	100.0
Missing	System	13	54.2		
Total		24	100.0		

TABLE 4.67:   **Finance**

Please tick the areas would you like assistance in? Finance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	18	75.0	100.0	100.0
Missing	System	6	25.0		
Total		24	100.0		

TABLE 4.68:   **Marketing**

Please tick the areas would you like assistance in? Marketing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	22	91.7	100.0	100.0
Missing	System	2	8.3		
Total		24	100.0		

TABLE 4.69:   **Management/Strategy**

Please tick the areas would you like assistance in? Management/Strategy

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	20	83.3	100.0	100.0
Missing	System	4	16.7		
Total		24	100.0		

Comments

Except for Personnel, the other areas that the entrepreneurs wanted assistance in scored high percentages. Marketing is the area where the majority of the entrepreneurs needed

advice. As this presents the crux of the research, this information is collectively illustrated in Figure 410.

Figure 4.10: Percentage of the entrepreneurs that wanted advice in various areas of their businesses:
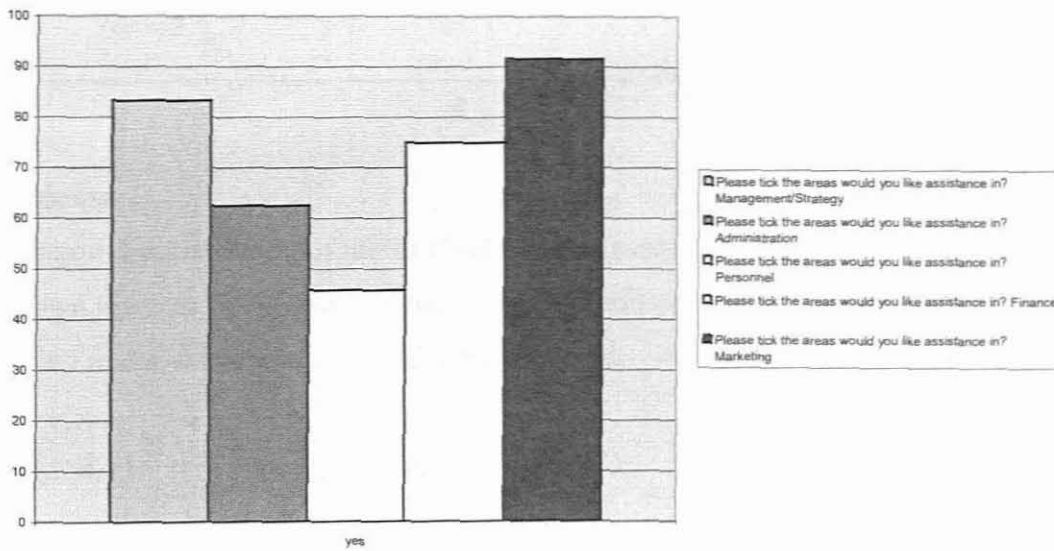
TABLE 4.71: Expert vs Generalist

Should you require assistance in more than one area of your business, would you prefer your advisor to be

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Generalist	7	29.2	30.4	30.4
	Expert per area	16	66.7	69.6	100.0
	Total	23	95.8	100.0	
Missing	System	1	4.2		
Total		24	100.0		

Comments

Most preferred an expert to assist them in the areas indicated and the rest preferred a generalist, as they wanted to work with one mentor only. A large percentage of the entrepreneurs did not have any gender preference, which would simplify the selection procedure.

TABLE 4.72:   **Selection Preference**

;hould the be a pool of advisors, would you prefer the selection to be don(
by

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	TEC	21	87.5	87.5	87.5
	Yourself	3	12.5	12.5	100.0
	Total	24	100.0	100.0	

Comments

The majority did not mind if the TEC selected the mentor, whilst 12% wanted to select their own mentors. This would facilitate the selection procedure, although the option of choosing their own mentor should also be permitted.

TABLE 4.73:   **Meeting Venue**

Where would you like to meet your advisor?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Your premises	9	37.5	37.5	37.5
	Neutral location	4	16.7	16.7	54.2
	Not important	11	45.8	45.8	100.0
	Total	24	100.0	100.0	

Comments

Mixed preferences are signaled by these results. 38% wanted to meet the mentor at their premises, 17% preferred a neutral location and 45% felt that location was not important.

Table 4.74: Gender preference

Gender preference of advisor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male advisor	1	4.2	4.2	4.2
	Female advisor	1	4.2	4.2	8.3
	Not important	22	91.7	91.7	100.0
	Total	24	100.0	100.0	

Comments

The gender of the mentor was not an issue, which would assist the matching process.

Characteristics that the respondents wanted the mentors to have were:

- Expertise in field
- A sense of humor
- honesty
- passion
- tolerance
- friendliness
- professionalism
- patience
- good interpersonal skills
- good communication skills
- responsiveness
- frankness
- objectivity, and
- being able to criticize positively.

Although the characteristics required for an effective mentor have not been exhausted, the list obtained from the respondents are relevant.

4.11 SUMMARY

It is evident that most of the entrepreneurs fell into the micro to small business category as quite a few of them had no or very few employees. In addition, most of the reasons provided for not being registered for different forms of tax, lack of insurance, no benefits for staff, not having separate personal and business accounts, not making a profit and no advertising were:

- Less than R30 000 p/a was being earned.
- The business was still new
- Not enough contracts
- Lack of sales
- Business was not making enough money
- Business too small
- Lack of co-operation from bank
- Informal business
- Insufficient funds
- No employees

Many of the entrepreneurs, due to a lack of skill, could not draft their own marketing, strategic or business plans. Many of them lacked time management skills, did not know how to do budgets, nor calculate the break-even point of their businesses. Fifty-eight percent did not have any formal qualifications related to their businesses and 92% did not have any formal qualifications in running a business.

Most of the entrepreneurs wanted someone to advise them in more than one area of their business, which was a clear indication that they would not have minded access to the skills of a mentor. Although they preferred experts in specific areas, gender was not important. The entrepreneurs also identified the characteristics that the mentors should have.

Given all the above-mentioned facts, it was also clear that the TEC's entrepreneurs, without a shadow of doubt, had definitely needed to be mentored .

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1   INTRODUCTION

This chapter provides conclusions and recommendations for the implementation of a mentoring programme by Peninsula Technikon's TEC. It also identifies further opportunities for research in mentoring.

5.2   CONCLUSIONS

The findings indicate that the TEC's entrepreneurs definitely lack the entrepreneurial skills and business acumen that are essential for success. The findings further indicate that these entrepreneurs require an effective support mechanism to improve the growth rates of their businesses.

There are various developmental processes that an entrepreneur could utilise to build his/her academic and personal capacity. Short courses, workshops and undergraduate studies could be pursued. Although short courses and workshops are short-term activities, the transfer of skills are not immediate. Undergraduate studies, on the other hand, is a long-term solution and time-consuming. Mentors, because of their knowledge and past experiences, can transfer their skills virtually immediately, contributing to the sustainability of the entrepreneurs' businesses. Mentoring can provide the missing link between skills that can be developed through training.

Entrepreneurial learning is of critical importance to the survival and growth of these entrepreneurs. This learning can take place with the assistance of a skilled mentor.

Growth will result in larger profits and all the problems currently experienced by the entrepreneurs will be solved. Entrepreneurs will be in a position to register for VAT and income tax. Even the government will benefit. Other areas like insurance for the business and benefits for staff (pension and medical aid) could be attended to.

More than 50% of the entrepreneurs who participated in this study also had no formal or informal qualifications, and this is an area that definitely needs to be addressed. Although mentoring could be more cost-effective than up-front prescribed training, training programs should be implemented as well to assist with the development of these entrepreneurs. This could result in them being less reliant on mentors in the future.

Successful entrepreneurs have a higher self–esteem, are in a position to not only feed their families, but also to increase their standard of living. When registered for tax, the entrepreneurs can contribute to South Africa's GDP and the coffers of the government. Social evils that permeate the South African society, especially in the disadvantaged communities, can also be reduced.

The crucial stage for any entrepreneur is the start-up stage. If every entrepreneur that has the tenacity and will to succeed has a mentor with the relevant experience and skills to guide them during this critical stage, South Africa will have more entrepreneurial success stories.

5.3   RECOMMENDATIONS

The following recommendations, based on the empirical research, are proposed for the implementation of the TEC's mentoring programme:

- A formal mentoring programme should be implemented, as an informal mentoring relationship is too loosely structured and the mentoring goals may not be achieved.

- In order for the process to be successful, TABEISA and the TEC have to be committed to the process.

- The program's goals must be clearly stated to all the stakeholders.

- A mentoring champion must be appointed to ensure the smooth running of the process and to determine whether the program goals have been achieved. The champion's role should not only be that of an administrator, but also that of a mediator in case the relationships fail.

- All the entrepreneurs should be provided with an opportunity to be mentored, as all of them have weaknesses in one or more areas.

- Mentees should be clear on the role of the mentors, which is that of an advisor and coach, and not expect miracles from them. Mentees should also not become too dependent on the mentors.

- Recruit a pool of accredited mentors from different fields. The TEC should also draw on the lecturers from Peninsula Technikon as they are sitting on a goldmine of varied skills ranging from marketing to engineering.

- Unless otherwise requested, the TEC can match the pairs, as they probably are more knowledgeable about the mentors, having recruited them.

- Orientation and training should take place in order for the mentor and mentee to be clear on their roles and responsibilities.

- A contract should be drafted between the mentor and mentee and each partnership should be allowed to have a contract that is mutually acceptable to their situation and needs.

- If the partnership is unsuccessful, the participants should feel free to withdraw. Exit processes should be put in place.

- The mentors should do a SWOT analysis at the beginning of the process and complete a report at the end of the process. The mentee should also be part of the feedback process.

- The programme should be evaluated and reviewed in order for improvements to take place.

- Mentors must have strengths / expertise in the required areas.

- Matching should be based on expertise in the field, location and gender to ensure the success of programme.

- Areas that need to be addressed are the development of strategic and marketing plans, user-friendly business plans, budgeting and customer needs analysis.

- The mentoring programme should also be linked to other developmental processes like short courses and workshops. Although mentoring should lead to skills development, it is important for the entrepreneurs' personal development to continue with further training, as a large number do not have any formal qualifications.

5.4 OPPORTUNITIES FOR FURTHER RESEARCH

The following opportunities for further research have been identified, based on the results of the study. Further studies could:

- investigate whether TEC has the capacity to offer a mentoring programme

- evaluate the entrepreneurs' growth
- determine whether there are other matching criteria besides location, gender and field, that need to be taken into account
- research the impact of technology on mentoring, and
- determine the impact of personality on the relationship.

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ANNEXURE A

Sampling Frame Of The Entrepreneurs Of Peninsula Technikon's TEC

Client Information

Name of business	Activity	Owner	Address	Contact details
Micromatica Pty Ltd	E. Commerc, Second Hand Textbooks			
Tel-A-Care CC	Maintenance of telephone network	Raphael Cockrell	On campus	082 200 7006
Bazise Business Consultancy	Consultancy	Mandisa P. Sinuka	2 Qagama Hazeldean Phillipi 7785	(021) 3715908 (h) 083 2088 373
Credit Building Supplies(Affordable Home)	Agency	John Abels	27 Roan Avenue Lotus River 7745	(021) 706 4487
J & J Manufactures	Burglar Bars / Safety Gates	Jaap Jacobs	07 Onderbos Square Rosendal Delft 7100	(021) 956 23 16 083 530 4947
Zarina's Biscuits	Biscuits Manufacturer	Zarina Savant	23 Gerryts Street Soneike Kuils River 7580	(021) 903 8843 082 2965 8865

Maverick Trading 54CC t/a J&A Plumbers&Drainlayers

Goldenspot Trading 608 CC t/a Malou Craft	Iron Manufacturers	Malcolm Loubser	18 Typon Street Factreton 7405	(021) 593 6282 082 496 1374
Design Logic	Designing Business		On Campus	
Multi Mail	Collection and distribution of mail	Lester Lawrence	2nd Floor 40 Heerengraadt Nasper Building	(021) 406 2573 072 14 33 242
Quantum Technology	Webpage Design	Hoosain Mollagee	20 Leafmore Road Kenwyn 7780	(021) 696 5114 (h)
Gradcor CC	Security Company	Cyril Gradwell	48 Hofmeyer Road Parow Valley 7500	(021) 932 5813 (h) (021) 959 6301 (w)
Vodacom Shop	Cell Phone Shop	David Jansen	On Campus	082 482 20816
Eric Security System	Security Service Business	Wayne Jood	7 Moulon Court Louis Trichard Street Parow Valley 7500	082 957 8708
Rapid Prototyping Centre	Prototypying Centre	Eugene Erfort	On Campus	082 20 20 697
Mzukisi Cosmetics	Selling of Cosmetics	Nginingini Mzukisi	4596 Solomon Mahlangu Street Village A Phillipi	(021) 371 87 57

			7785	
Bast Leather Creations	Leather Goods	Brain Bastiaan	15 Aspden Street Belhar 7490	(021) 952 8187
E.B. Painting	Painting of Steelwork	Errol Buys	22 Japonica Street Ravensmead 7490	082 627 8096
Rinquest Steelwork	Steelwork / Welding	Sulaiman Rinquest	18 Papilon Road Strandfontein Village 7785	083 5964 768
R. Davids - Administrative Services	Administrative Services	Riyaad Davids	17 Central Drive South Glenhaven 7530	073 1736698
Vokwana Studio	Photographic Business	Linedela Vokwana	On Campus	083 36 77 967
Simons Book Restoration	Book Restoration	Christopher Simons	9 Klipspringer Street Soneike Kuilsriver 7580	072 141 2355 (021) 934 9907
Nama Potjie	Traditional Food Restaurant	John Bok	Hoedjieskop Breakwater Saldanha 7395	(022) 7094581 083 4634074 (022) 709 4200 (f)

Business	Description	Contact	Address	Phone
Cosmic Deco	Interior Decorating	Nicolette Le Keur	25 Cornelissen Cresent Serepta Kuilsriver 7580	(021) 906 1635 082 600 2078
Alex Car Wash	Car Wash	Fezile Alec Vetezo	NY 42-80 Gugulethu 7750	(021) 633 8523 083 666 2911
J & K Automotive	Workshop/Garage - Toyota	Keith Vlotman	1 Leo Road Diep River 7800	082 395 2980 (021) 706 9494
Magic Eye Video Hire	Renting out videos	Gavin Simons		084 30 74345
Sandy van Oortmerssen & Associates	Broker for Commercial insurance	Sandy van Oortmerssen	37 Beverly Street Old Oak Village Bellville 7530	082 922 6762
Plant-A-Design	Plant displays for functions, wedding etc.	Michael Brinkhuis	On Campus	(021) 959 6128
Mitchell's Plain Hawkers & Traders Ass.	Sewing Project	Ms. Elujobu	Strandfontein Secondary S	083 574 1773 (021) 393 2100
System Management Solutions	IT business / system development	Llewellyn Daniels	P.O. 178 Kuilsriver 7579	082 770 7721

Ace Enterprize/Active	Cleaning Service / gardening	Charles Edwards	19 Wavecrest Avenue Strandfontein 7785	
African Homestyles Housing Developments	Housing Developments	Solly De Beer	4 Koraal Hoff Kudu Hoff Lotus River 7945	
Gerek	Computer Sales			
Maverick Trading 195 CC t/a BV Builders	Building Construction	Brain Peters	49 Tunny Cresent Strandfontein 7785	(021) 393 2858
WV Distributors	Engineering Supplies	Mr. Baardman	Unit 16 Eagle Street Okavango Park 7560	(021) 981 7912
Asley's Tiling	Tiling Services	Ashley Adonis	2 Trafalgar Cresent Malibu Blue Downs 7100	083 3840 287

MPR International	Sport Development Project	Patrick Raolane	NBS Bellville Church Street	072 148 4456
Trade Avail 219 t/a Xtenda Home	Housing Developments	Randall May	25 Annandale Street Kuilsriver 7579	082 8355 347

ANNEXURE B

Questionnaire On The Mentoring Needs Of The Entrepreneurs Of Peninsula Technikon's TEC

Business Profile

The purpose of this questionnaire is to determine whether the entrepreneurs supported by the Technology Enterprise Centre (TEC) at Peninsula Technikon require assistance in areas of their business. The information will be used to inform the work of the TEC and the development of a post-graduate thesis.

Name of Business:

_____

Name of Owner(s):

_____

Address:

_____

_____

_____

_____

_____

Telephone Number: _____

Fax Number: _____

Type of Business:

SERVICE	MANUFACTURING	RETAILING

Description of Product/Service (also specify sector eg. Clothing, Chemical)

_____

_____

_____

_____

_____

Number of Employees: _____

Assessor: _____

Client: _____

Date: _____

INTERVIEWER SCHEDULE

First Impressions

1. Where does the entrepreneur work from?

HOME	OWN PREMISES	LEASED PREMISES	OFFICE IS PART OF LARGER ORGANISATION

2. Ease of finding the business.

EASY	RELATIVELY EASY	DIFFICULT

3. Accessibility to target markets.

EASY	RELATIVELY EASY	DIFFICULT

4. Exterior conditions (include signage).

GOOD	AVERAGE	POOR

5. Interior conditions (layout, lighting, tidiness).

EXCELLENT	GOOD	AVERAGE	POOR

6. Dress code and appearance of staff?

EXCELLENT	GOOD	AVERAGE	POOR

7. Friendliness of staff, nature of greeting / acknowledgement?

EXCELLENT	GOOD	AVERAGE	POOR

8. Is the business registered for income tax purposes?

YES	NO

9. Is the owner registered as a provisional taxpayer?

YES	NO

10. Is the business registered for VAT?

YES	NO

10.1 If not, why not?

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A. BACKGROUND OF OWNER

1. Qualification of owner/manager in the area of her/his business.

SHORT COURSES	WORKSHOPS	DIPLOMA	DEGREE

2. Qualification of owner/manager in running a business.

SHORT COURSES	WORKSHOPS	DEPLOMA	DEGREE

3. Were you formally employed in the area of your business?

YES	NO

3.1 If yes, For how long?

10+ YEARS	5-10 YEARS	1-5 YEARS	A FEW MONTHS

4. How long have you been operating your own business?

10+ YEARS	5-10 YEARS	1-5 YEARS	A FEW MONTHS

B. STRATEGY

1. Please rate the importance of *strategic (future) planning* for your business

VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT

2. Does your business have a strategic plan?

YES	NO

3. If, yes who did it?

I did it	I provided the information and someone else did it	I was not involved in writing the plan

3.1 If not, why not?

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....

4. Do you intend to grow your business over the next 5 years?

YES	NO

5. Please rate the importance of *mission and vision* for your business

VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT

6. Does your enterprise have a mission and vision?

MISSION	VISION

6.1 What is your vision?

....
....
....

6.2 What is your mission?

....
....
....

7. If you do not have a strategic plan, would you like some assistance in drawing up one?

YES	NO

Entrepreneur needs assessment

--	Please rate the importance of a *business plan* for your business	VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT

9.	Does your enterprise have a business plan?	YES	NO

9.1	If yes, who wrote the business plan?	I did it	I provided the information and someone else did it	I was not involved in writing the plan

9.2	If you have a business plan, does it guide the day to day running of your business?	YES	NO

9.3 If not, why not?

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9.4	If you do not have a business plan, would you like some assistance in drawing up one?	YES	NO

C ADMINISTRATION AND PERSONNEL

1.	Please rate the importance of *administration and administrative processes* for your business.	VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT

2.	Is your administrative work always up to date?	YES	NO

2.1 If not, why not?

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....

3. How do you organise your own time (Hours per day)?		Management	Administration	Production	Purchasing	Sales	Distribution	Other
	Present							
	How would you like it?							

4.	Does the business have proper stationery, incl. letterheads and business cards?	YES	NO

5.	Please rate the importance of *providing benefits* for your personnel?	VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT

6. Which of the following benefits are offered to your personnel?

	YES	NO
TEA & LUNCH BREAKS		
ANNUAL INCREASE		
PENSION		
LEAVE		
MEDICAL AID		
SICK LEAVE		
BONUS		
OTHER 1:		
OTHER 2:		

6.1 If none of the afore-mentioned benefits are provided what is the reason for it?

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7. Does your business make any contribution to any of the following funds?

PENSION FUND	RETIREMENT ANNUITY	PROVIDENT FUND	I DON'T BELONG TO ANY FUND

8. Please rate the importance of *insurance* for your business?

VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT

9. Is the business insured?

YES	NO

9.1 If not, why not?

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9.2 If, yes what kinds of insurance do you have?

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10. Would you like some assistance in any one of the following areas?

ADMINISTRATION	PERSONNEL	NO

D FINANCIAL MANAGEMENT

1. Do you know the bank manager personally?

YES	NO

2.1 Are separate personal and business bank accounts maintained?

YES	NO

2.2 If not, why not?

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		VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT
3.	Please rate the importance of *financial accounting* for your business.				

4.1	Are books of accounts maintained?	YES	NO

		I DO	INTERNAL ACCOUNTANT	EXTERNAL ACCOUNTANT
4.2	Who does your accounts?			

4.3	Are your accounts up to date	YES	NO

4.4 If not, why not?

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4.5 Should a problem be identified from the financial statements, what is your reaction? (Explain by means of an example).

....

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5.1	Is your company making a profit?	YES	NO

5.2 If not, why not?

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6.	Do you know what the breakeven turnover of the business is?	YES	NO
7.	Do you know what the difference between fixed costs and variable costs is?	YES	NO
8.1	Do you experience a cash shortage?	YES	NO

8.2 If yes, what is the reason/s for this?

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....

9.	Would you like some assistance in financial accounting?	YES	NO

E. BUDGETS

		VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT
1.	Please rate the importance of *budgets* for your business				

2.1	Are budgets completed for the business?	YES	NO

2.2   If yes, when do you complete the following budgets?

	Annually	Monthly	Daily	Specify other period
TURNOVER				
PURCHASING				
PRODUCTION				
EXPENSES				
CASH FLOW				
Other: (please specify)				

2.3   Who does your budgets?

I DO	INTERNAL ADMINISTRATOR	EXTERNAL ADMINISTRATOR

2.4   How often do you compare these budget figures with the actual figures?

REGULARLY	OCCASIONALLY	NEVER

3.   Would you like some assistance in drawing up your budgets?

YES	NO

F.   MARKETING

1.   Please rate the importance of *marketing* for your business

VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT

2.   Do you have a marketing plan?

YES	NO

3.   Is there anything unique or special about the business, it's people, products or service that is different to their competitors?

YES	NO

4.1   Have you done a Customer Needs Analysis?

YES	NO

4.2   If not, why not?

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5.   Who is your target market?

....

....

....

6..   Are prices based on:

OWN PRICING POLICY?	COMPETITORS' PRICES?	COMBINATION OF THE TWO?

7. How competitive are your prices in relation to competitors?

HIGHER	SAME	LOWER

8. Do you keep record of monthly sales?

YES	NO

9. Do you keep record of yearly sales?

YES	NO

10. Do you keep separate records regarding cash and credit sales?

YES	NO

11. Do you advertise your products/services?

YES	NO

12. Which advertising media do you use? (tick all that are applicable)

RADIO	NEWSPAPERS	MAGAZINES	PAMPHLETS

13. Would you like some advice in marketing your products/services?

YES	NO

G. PRODUCTION PROCESSES (ONLY APPLICABLE TO A MANUFACTURING ENTERPRISE)

1. Please rate the importance of a *production plan* for your business.

VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT

2. Do you use it?

YES	NO

3. Do you have a stock control system?

YES	NO

4. Do bottlenecks occur in the production process?

YES	NO

5. Please rate the importance of *quality control* for your business

VERY IMPORTANT	IMPORTANT	OF LITTLE IMPORTANCE	NOT IMPORTANT

6. Do you make use of quality control?

YES	NO

7. If not, why not?

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8. Is productivity important to you?

Yes, definitely	Yes	Maybe	Definitely not

9.1 Is your business productive?

YES	NO	I DON'T KNOW

9.2 How do you measure productivity?

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10. Would you like some advise on production?

Yes, definitely	Yes	Maybe	Definitely not

H. GENERAL

1. Would you like someone to advise you in certain areas of your business?

Yes, definitely	Yes	Maybe	Definitely not

2. If you would like assistance, please tick the areas you would like assistance in and rank the list.

AREA	Tick all that apply	Ranking (1, 2, 3 .....)
Management/ strategy		
Administration		
Personnel		
Finance		
Marketing		
Production		
Other: (please specify below)		

3. Should you require assistance in more than one area of your business, would you prefer your advisor to be:

A GENERALIST	EXPERT PER AREA

4. What characteristics would you like the advisor to have?

....

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....

5. Should there be a pool of advisors, would you prefer the selection to be done by

THE TEC?	YOURSELF?

6. Where would you like to meet your advisor?

YOUR PREMISES	NEUTRAL GROUND	LOCATION IS NOT IMPORTANT

7. Would you prefer a

MALE ADVISOR?	FEMALE ADVISOR?	NOT IMPORTANT

THANK YOU FOR YOUR ASSISTANCE