This unit concentrates on the management of small business and the aspects of coping with survival and growth of small and medium-sized businesses. Topics covered include the role of small business in the economy; starting a small business; management challenges of running a small business; critical stages of growth; alternative modes of growth; the small business conglomerate; advising small businesses; franchising; family businesses; succession problems and small business strategies. Students relate case studies of small businesses with theory and undertake a substantial practical assignment, which can include interviews with owner-managers.
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The Goal of the Unit
Learning Outcomes
Prerequisites
Key Dates

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Teaching and Learning Strategies
Charter of Student Rights
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TEXTBOOK(S) AND RESOURCES
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UNIT DESCRIPTION

Contact details

<table>
<thead>
<tr>
<th>Lecturer</th>
<th>Ms Joanne Sneddon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email:</td>
<td><a href="mailto:jsneddon@gsm.uwa.edu.au">jsneddon@gsm.uwa.edu.au</a></td>
</tr>
<tr>
<td>Phone:</td>
<td>08 6488 1727</td>
</tr>
<tr>
<td>Fax:</td>
<td>08 6488 1072</td>
</tr>
<tr>
<td>Consultation Hours:</td>
<td>By prior arrangement</td>
</tr>
<tr>
<td>Lecture Times:</td>
<td>Thursday, 12th January, 8.30am – 4.15pm</td>
</tr>
<tr>
<td></td>
<td>Friday, 13th January, 8.30am – 4.15pm</td>
</tr>
<tr>
<td></td>
<td>Wednesday, 18th January, 8.30am – 5.15pm</td>
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<tr>
<td></td>
<td>Thursday, 19th January, 8.30am – 4.15pm</td>
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<tr>
<td></td>
<td>Friday, 20th January, 8.30am – 4.15pm</td>
</tr>
<tr>
<td>Lecture Venue:</td>
<td>Case Study 1</td>
</tr>
</tbody>
</table>

Your lecturer

Joanne Sneddon is a Lecturer with the Graduate School of Management and a Research Fellow within the Centre for Entrepreneurial Management and Innovation (CEMI). Joanne holds Master of Commerce in Management with distinction from Curtin University of Technology, and an MBA from the University of Western Australia as well as an Advanced Diploma of Business Administration and Diploma in Management from Durham University, UK. Joanne is currently a doctoral candidate within the Graduate School of Management, UWA. During the past four years Joanne has been engaged with a series of research projects in conjunction with the CSIRO, WA Department of Agriculture and Department of Land Information. Joanne's doctoral research is examining the factors influencing the adoption of innovations in market and production systems within Australian wool production enterprises. Joanne has consulted to the Department of Agriculture in the adoption and diffusion of new technologies and to Timbercorp Ltd in undertaking market research for the development of the agroforestry industry.

In addition to her research work Joanne was employed as a program manager for the Entrepreneurship and Business Development Unit at the Curtin Business School, and was engaged in the design and coordination of a small business improvement program run via Business Enterprise Centres in the cities of Stirling and Swan during 2001-2002. In addition to project work, Joanne’s role at Curtin involved the support and co-ordination of small business mentors and the design and delivery of marketing training sessions for small businesses. She was previously the Operations Manager of M&K Marketing Services a textile point-of-sale manufacturer in the United Kingdom. Joanne has extensive experience in both strategic and operational management with particular emphasis on process design and new product development.

Introduction

Small firms (i.e. those with less than 200 employees) comprise the majority of all businesses in the economies of most countries. In Australia they comprise around 96 percent of all the non-agricultural firms in existence.¹ The majority of such firms are very small (micro-enterprises) with less than five employees, usually just a single owner-manager. The reality of business management within the small firm is substantially different from that found in the majority of large organizations. Owner-managers, as the name suggests, are both owners – and therefore responsible for all the risks associated with their business venture – and managers. Such individuals must deal with all the functional tasks of business management (e.g. accounting, planning, marketing, human resources, production, and information technology frequently without much assistance and with limited training. The world of the average small business owner-manager is quite different from that of the professional manager within the large organization, or even the successful entrepreneur (e.g. Rupert Murdoch, Richard Branson, and Bill Gates).

In Small Business Management 601 the start-up phase is confined to small businesses and we then move on to various issues of relevance to successfully managing the small business. Small Business Management, like some other MBA units, integrates the various disciplines of business and management. We will assume that MBA students already have a background in finance, accounting, marketing, leadership and related skills associated with running a business. We shall focus on how these topics are applied to small business, but will not provide elementary instruction in these topics.

In addition to lectures on theory and case study discussions, the course has a strong practical orientation with relevance to present day real life situations. Students will interview owner-managers of small businesses and report on their findings. We shall also invite a number of owner-managers and other speakers on small business management to class to hear their views. Students will research special topics, test the validity of textbook materials against experience and present their findings to the class.

The goal of the unit

The principal aim of this unit is to familiarise MBA students with the theory and practice of small business management and challenge assumptions that may be held about the way small business management can or should adopt large business models. For students interested in establishing and managing their own small firm this unit should help to focus thinking on the realities of life as a small business owner-manager – both its challenges and rewards. For MBA students that are keen to ‘make a difference’ this unit should enable them to understand how they might consult to small firms and assist owner-managers establish and grow their ventures.

Students with a range of other interests will also benefit from the course. Managers in large corporations and financial institutions often deal with small businesses as clients or suppliers. Professionals such as accountants, lawyers and consultants provide advice and other services to small businesses. Government Officials devise and implement policies, regulations and support programs that will affect the small business sector. A good understanding of the topic can assist such individuals in their work.

Learning outcomes

On completion of this unit, you should be able to:

- Distinguish between the managerial environment facing an owner-manager of a small business and that of a manager working within a large organization;
- Understand the new venture creation process as it applies to small businesses and review models of new venture creation;
- Understand the key legal issues facing small businesses and how they impact on operations;
- Recognise the common problems facing small businesses in their early years with particular emphasis on opportunity screening and financial management;
- Understand the strategic planning process as it applies within a small business and apply strategic planning principles to a small business case;
- Examine the financing opportunities for small business owners seeking growth with particular emphasis on bootstrap financing, retained profits, and negotiations with banks;
- Understand the working capital cycle, break-even analysis and the power of gross profit margins;
- Undertake an evaluation of a small business and prepare a growth strategy for this business;
- Understand the importance of delegation, team building and coaching within a small business and develop a human resource strategy for a small business;
- Evaluate franchising as a business model and understand its advantages and disadvantages;
- Understand the nature of family owned and operated businesses and the importance of succession planning;
- Troubleshoot problems within small businesses and prepare a turnaround strategy for a small business;
- Prepare a valuation of a small business including goodwill and the preparation of a small business for sale.
Prerequisites

The prerequisites for this unit are:

- Any two Stage 1 units

This unit assumes that students have an operational competency in financial accounting, marketing principles and organisational behaviour. If you are not well prepared in any of the above areas you should make every effort to remedy the situation through undertaking additional refresher courses and/or practice. Do not hesitate to seek advice from your lecturer.

Key dates

SBM students will participate in a company visit on the 18th January 1.15pm to 5.15pm.

The final examination for this unit will take place on Saturday 21st January (time and venue TBA).

TEACHING AND LEARNING RESPONSIBILITIES

Teaching and learning strategies

I believe that learning is a dynamic process involving: the instructor; the instructors' experiences; the subject matter; and the learning styles and experience of the students. Students often hold the wisdom of the subject within themselves. Their experiences are therefore an integral ingredient in the learning experience; they need to be accessed through effective facilitation to enable students to both make sense of the materials and enrich the learning experience for others.

In order to enrich the learning process with students' experiences, I actively encourage students to contribute in group and class discussions and in-class learning activities. All class activities and discussions employ some form of Socratic dialogue to challenge students to seek solutions to both simple and complex problems from a range of perspectives. To enact this approach, I pose problems common to the topic, use guest lecturers and cases to stimulate discussion and critical analysis. I make use of case studies to generate debate and encourage critical and creative thinking in each topic to which students can relate. Thus, to get the most out of SBM 601, students are required to attend each session having undertaken the required pre-reading and be willing to listen and contribute to class discussions.

Charter of student rights

This Charter of Student Rights upholds the fundamental rights of students who undertake their education at the University of Western Australia.

It recognises that excellence in teaching and learning requires students to be active participants in their educational experience. It upholds the ethos that in addition to the University's role of awarding formal academic qualifications to students, the University must strive to instil in all students independent scholarly learning, critical judgement, academic integrity and ethical sensitivity. The charter outlines the rights and responsibilities for both students and staff of the university and you are encouraged to refer to the charter at: http://www.guild.uwa.edu.au/info/student_help/student_rights/charter.shtml.
Use of student feedback

This unit is subject to regular review and evaluation by the Entrepreneurship teaching group. Student feedback is a critical component of this review process both in the form of SPOT reviews and informal feedback given to the lecturer during the unit. For example, the 2005 SBM student cohort requested that greater time be given to the financial dynamics topic. This feedback has been accommodated in the summer school unit design.

ASSESSMENT MECHANISM

The purpose of assessment

There are a number of reasons for having assessable tasks as part of an academic program. The assessable tasks are designed to encourage you to explore and understand the subject more fully. The fact that we grade your work then gives you an indication of how much you have achieved. Providing feedback on your work also serves as part of the learning process.

The assignments allocated for this unit seek to provide a blend of individual and group work some of which will involve dealing directly with small business owner-managers, while others are more theoretically focused. Students should be prepared to read outside the material provided by the lecturers. The group assignment is designed to place students in direct contact with small business owner-managers and explore first hand their management environment.

The group assignment is designed to build a comprehensive picture of best practice within small business in a particular industry sector. This assignment should provide students with a good appreciation of the major marketing, financial and operational management issues facing small firms. By benchmarking performance against best practice examples, students will develop understanding of the key ingredients of successful small business management.

The individual assignment and examination is designed to measure understandings and skills acquisition against selected topics. Assignment tasks seek to integrate various elements covered within the weekly topics, both written material, lectures, guest speakers and cases.

Assessment details

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
<th>Due date</th>
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<tbody>
<tr>
<td>Group Assignment</td>
<td>30%</td>
<td>Friday 10th February</td>
</tr>
<tr>
<td>Individual Assignment</td>
<td>30%</td>
<td>Friday 3rd February</td>
</tr>
<tr>
<td>Final Examination</td>
<td>30%</td>
<td>21st January</td>
</tr>
<tr>
<td>Class Participation</td>
<td>10%</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

*Group Assignment - Small Firm Diagnostic and Plan for Growth (30%)*

*Part 1 - Small Firm Diagnostic*

The focus of this part of the assignment will be to gain a better understanding of the nature of small business owner-managers and their managerial environment. Students will work in teams of up to five and will select a target business to examine.
Description

The team will conduct semi-structured interviews with the owner-manager of the selected small business. These interviews should follow a clear interview protocol predetermined within the group and with the lecturer before commencing. The interviews should cover aspects of the business as well as personal attributes, circumstances and motivations of the founder and, if different, the current owner-manager. Particular attention should be given to the motivations for establishing this business and the challenges the owner-manager has faced or is facing.

It is important that the interviews devote sufficient time to both understand the personal side of the business owner-manager (e.g. personal and family background, motivations for becoming a small business owner-manager) and how the business is actually performing (e.g. profitability, growth, human resource issues, products or services, and plans for future growth). Students should anticipate interviews lasting around 1-2 hours at least with some opportunity to tour the business site(s). It is important for the student to develop a level of trust with the owner-manager to ensure that they gather reliable information. You should also keep open the opportunity to return again to ask the owner additional questions. Teams will apply the CEMI diagnostic tool provided to analyse the current position of the business.

Part 2 - Growth Plan

This part of the assignment builds on part one, the two parts should be considered together as a continuous process rather than as separate activities.

Description

This project seeks to develop a plan for growth for the selected firm based on the outcomes of stage one. A framework for developing a small firm growth plan will be provided in class.

The length of this assignment is around 4,500 words. Quality is preferable to quantity. This document should be submitted in both written and soft-copy. A copy of the report is to be provided to the participating small business owner-managers who participated in the first assignment interviews, but you should take care to make any case study material anonymous so as to protect the identity of participants. Due 10th February 2006.

Assessment criteria

The assignment will be assessed against the following criteria:

- **Analysis of the industry (market size & potential)** – what is the future outlook for this industry sector for small firms? How much growth is there and how does the market segment to allow small firms the opportunity to niche? You will need to draw on secondary sources to provide an overview of the industry structure and potential.

- **Analysis of current financial position of the firm**

- **Specific marketing analysis and assessment of competition**

- **Identification of specific problems facing the firm**

- **Identification of key performance indicators**

- **Clearly articulated plan for future growth**

- **Lists of useful contacts and reference sources** – the report should also contain a list of useful contacts or sources of information ranging from government agencies, industry associations or reference materials. The reader of the report should be able to use this list as an initial resource for getting started.
- **Use of case study material to support analysis** – you should make use of the information you gathered in the first group assignment to assist in your analysis for this. Carefully selected the case study firm interviewed in the first assignment will provide a valuable source of data to assist this report.

- **Use of literature review and research** – the report should demonstrate good use of the small business literature to assist in evaluating best practice and use of available data sources to guide your industry and market analysis. The Harvard system of referencing should be used.

- **Presentation and quality of writing** – the report should be well-presented and well-written making use of tables, diagrams and graphs where appropriate to aid interpretation of findings.

**Individual Weekly Assignment (30%)**

At the start of the course students will be introduced to a series of case studies that are an extension of course materials and readings. Students will be required to select one of these case studies as the subject of their individual assignment. Students will submit a 3,000 word essay on the case study or exercise selected. Further details about the nature of the individual assignment and assessment criteria will be given in the course materials and in class.

**Final Examination (30%)**

In the final examination you will be assessed on your comprehension and application of concepts, methods and analytical techniques covered in the course. The examination will be designed as a test of your reading and understanding of the theoretical concepts taught in the unit and will draw upon the weekly readings and lecture notes to assess knowledge.

The examination will assess student learning outcomes for all sections of the course and will be in essay and short answer format. Students will have three hours to complete the examination and should prepare for it by keeping up to date with the readings, attending lectures and tutorials and engaging in class activities.

**Class Participation (10%)**

Your contribution to class discussions, case analysis and tutorials is an essential element of this course. Small Business Management is a creative and experiential subject, which will be enhanced by your willingness and ability to share your thoughts and experiences during the class. The mark allocated to group and class discussions and will be jointly assessed by the lecturer and tutor using the following criteria.

<table>
<thead>
<tr>
<th>Points</th>
<th>Evaluation Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-10</td>
<td><strong>Excellent preparation</strong>: demonstrates understanding of the concepts and relates them to personal experience, offers analysis of concepts, responds well to other students comments, demonstrates ongoing and active involvement in the class</td>
</tr>
<tr>
<td>6-8</td>
<td><strong>Good preparation</strong>: demonstrates understanding of the facts presented in the readings, offers interpretation of concepts, contributes to discussions, demonstrates consistent ongoing participation</td>
</tr>
<tr>
<td>3-5</td>
<td><strong>Adequate preparation</strong>: demonstrates basic understanding of the material but no further analysis, sporadic involvement</td>
</tr>
<tr>
<td>1-2</td>
<td><strong>Attends class, not disruptive</strong>: does not participate often in discussion, offers little in the way of comment or analysis when asked to respond</td>
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</tbody>
</table>
The standard of assessment

The Graduate School must ensure that the processes of assessment are fair and are designed to maintain the standards of the School and its students. The School follows the University of Western Australia’s grading system:

- **HD (Higher Distinction)**: 80-100%
- **D (Distinction)**: 70-79%
- **CR (Credit Pass)**: 60-69%
- **P (Pass)**: 50-59%
- **N+ (Fail)**: 45-49%
- **N (Fail)**: 0-44%

The School awards marks leading to these grades by using the following general criteria which are presented here as an indication of the School’s expectations. These general criteria may be supplemented by specific standards provided with regard to a particular assignment.

**HD**
The student has a clear understanding of theory, concepts and issues relating to the subject and is able to adopt a critical perspective. The student is able to clearly identify the most critical aspects of the task and is able to offer a logically consistent and well-articulated analysis within the analytic framework presented in the course. The student is able to draw widely from the academic literature and elsewhere but maintains relevance.

**D**
The student has a clear understanding of theory, concepts and issues relating to the subject. The student is able to develop an analysis of an issue using the analytic framework presented in the course and is able to identify and evaluate the critical issues. The student is able to draw upon relevant academic and other material.

**CR**
The student demonstrates an understanding of the analytic framework developed in the course and a partial understanding of concepts and issues. The student is able to identify some key issues and is able to present a logical discussion, but with some conceptual errors or gaps between analysis and conclusions shortcoming. The student is able to draw upon an adequate range of references and other materials.

**P**
The student generally takes a descriptive rather than analytic approach to the subject. The student is able to demonstrate some understanding of the issues involved but does not demonstrate the ability to apply the analytical framework which had been developed in the course. Draws primarily upon course materials for referencing.

**N+**
The student is unable to demonstrate that he or she understands the core elements of the subject matter. The student is able to provide some insight into issues but misapplies analytic framework developed in course, omitting key factors and, for example, drawing conclusions which are not related to the preceding discussion.

**N**
The student is unable to demonstrate any understanding of the subject matter. Material presented for assessment is unrelated to course framework and shows no effort to identify or address critical aspects of the topic.

The scaling of marks to ensure comparability between classes in an acceptable academic practice. The GSM and Board of Examiners has the right to scale marks where it is considered necessary to maintain consistency and fairness.
Submission of assignments

Assignments should be submitted in class on the due date or if handed into the office; a standard cover sheet should be used and a receipt issued.

Late assignments will attract a penalty of 5% per day. This penalty will be waived by the lecturer only in exceptional circumstances. No marks will be awarded to assignments submitted after other students in the class have had their assignments returned.

Papers of excessive length will also attract a penalty. The penalty will be 5% for each 300 words, or part thereof, over the word limit.

Assignments will be returned in class or through the GSM reception.

It is the intention that the marked assignments will be returned within two weeks of submission.

ETHICAL SCHOLARSHIP, ACADEMIC LITERACY AND ACADEMIC MISCONDUCT

Ethical scholarship is the pursuit of scholarly enquiry marked by honesty and integrity.

Academic Literacy is the capacity to undertake study and research, and to communicate findings and knowledge, in a manner appropriate to the particular disciplinary conventions and scholarly standards expected at university level.

Academic misconduct is any activity or practice engaged in by a student that breaches explicit guidelines relating to the production of work for assessment, in a manner that compromises or defeats the purpose of that assessment. Students must not engage in academic misconduct. Any such activity undermines an ethos of ethical scholarship. Academic misconduct includes, but is not limited to cheating, or attempting to cheat, through:

- Collusion
- Inappropriate collaboration
- Plagiarism (see more details below)
- Misrepresenting or fabricating data or results or other assessable work
- Inappropriate electronic data sourcing/collection
- Breaching rules specified for the conduct of examinations in a way that may compromise or defeat the purposes of assessment.

Penalties for academic misconduct vary according to seriousness of the case, and may include the requirement to do further work or repeat work; deduction of marks; the award of zero marks for the assessment; failure of one or more units; suspension from a course of study; exclusion from the University, non-conferral of a degree, diploma or other award to which the student would otherwise have been entitled. Refer to the Ethical Scholarship, Academic Literacy and Academic Misconduct and individual Faculty policies. For further information on the rules and procedures in respect of appropriate academic conduct you should visit: http://www.teachingandlearning.uwa.edu.au/tl/academic_conduct
Acknowledgements and plagiarism

In the course of your individual and group work assignments, you will encounter ideas from many sources. These will include journal and newspaper articles, commentaries, books, web sites and other electronic sources, original case sources, lecture materials. All MBA assignments that you submit must acknowledge all the different sources you have used. Not to acknowledge your sources is plagiarism, a form of dishonesty. Plagiarism is the misappropriation of the work or ideas of others and presenting them as your own. This is reprehensible from both an ethical and legal viewpoint. Neither the School nor the University accepts ignorance or the fact that a student's previous acts of plagiarism had been undetected as a defence.

In order to avoid engaging in plagiarism it is your responsibility to acknowledge all of your sources in any work submitted for assessment and it is essential that you reference the work of others correctly. Where you quote directly from a source, you must ensure that any direct quotations are placed in quotation marks and are fully referenced. Even when you do not quote directly and are just referring to or expanding on the work of others, you must still acknowledge the sources of your information and ideas. Close paraphrasing in which you change a few phrases around, leave a clause out of a long sentence or put the original sentences in a different order is still plagiarism. To mark words as a quotation the entire text that has been copied should be enclosed within quotation marks. If the copied text is four or more lines in length, it may be more appropriate to set it as a separate and indented paragraph. Each time that text is copied, the source must be acknowledged with a reference citation, including the page number.

Advice on proper referencing is given below. If you have any doubts concerning appropriate referencing formats or how to acknowledge the work of others correctly, you should seek the advice of your lecturer.

Referencing

It is important that the referencing of any sources used in your written work is done properly, if only to substantiate the points you are making in your assignment or project. The Harvard style is the preferred and there are some notes for guidance which have been prepared by the library staff: ‘Citing your sources Harvard Style’

Endnote is a really good system for building up a database of references. Not everyone will want to invest the time in using this system but you should consider it if you intend to build up resource materials or plan to undertake extensive research in a particular area. The library staff have also developed a tutoring package: ‘A quick Guide to Using EndNote’ which provides the basics for using EndNote with an essay

This is linked to from the how to Use End Note page www.library.uwa.edu.au/guides/endnote/ which provides more comprehensive information.
Appeals against academic assessment

In the first instance, students are strongly advised to talk informally to the lecturer about the grade awarded. The University provides the opportunity for students to lodge an appeal against any mark which he or she feels is unfair. Any student making an appeal is under an obligation to establish a prima facie case by providing particular and substantial reasons for the appeal.

There is a 12 day time limit for making any such appeal. An appeal against academic assessment may result, as appropriate, in an increase or decrease in the mark originally awarded. The University regulations relating to appeals and the form on which the appeal should be lodged can be found in the GSM website or at http://www.publishing.uwa.edu.au/handbooks/interfaculty/PFAAAA.html

TEXTBOOKS AND RESOURCES

Textbook(s)

There is no textbook for this unit.

Supplementary readings for Small Business Management MGMT8601 are available for purchase from the Co-op bookshop. One copy will also be made available in the Library Reserve Collection

Additional resources and reading material

The following periodicals may also be of assistance:

American Journal of Small Business
Asia Pacific International Management Forum
Entrepreneurship and Regional Development
Entrepreneurship Theory and Practice
International Journal of Entrepreneurial Behaviour and Research
International Small Business Journal
Journal of Business Venturing
Journal of Small Business and Enterprise Development
Journal of Small Business Management
Small Enterprise Research: The Journal of SEAANZ

Software requirements

Students undertaking the unit will need a reliable web browser software program such as Microsoft Internet Explorer, or Netscape Navigator. Students will also need to have Microsoft Word, Excel and PowerPoint software to be able to read some of the documents delivered via this online learning environment. In addition, students should have Adobe Acrobat Reader software to allow them to read PDF files.
## Unit Structure

### Seminar Topics

<table>
<thead>
<tr>
<th>Session</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td><strong>The Role of Small Firms in the Economy and Policy Responses to the Small Business Sector</strong></td>
</tr>
<tr>
<td><strong>January 12th</strong></td>
<td><strong>Objectives:</strong></td>
</tr>
<tr>
<td></td>
<td>• Define the term small business</td>
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<tr>
<td></td>
<td>• Understand the role of the small business owner-manager</td>
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<tr>
<td></td>
<td>• Overview the nature and structure of the small business sector</td>
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<td></td>
<td>• Understand the growth cycle of small businesses and the characteristics of firms at different stages of development</td>
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<tr>
<td></td>
<td>• Review government policy toward the small business sector</td>
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<tr>
<td></td>
<td><strong>Readings:</strong></td>
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<tr>
<td></td>
<td>Lecture notes for Topic 1</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td><strong>Surviving the Early Years – Screening the Business Opportunity</strong></td>
</tr>
<tr>
<td><strong>January 12th</strong></td>
<td><strong>Objectives:</strong></td>
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<tr>
<td></td>
<td>• Examine the concepts of opportunity recognition</td>
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<td></td>
<td>• Understand the key factors leading to new venture failure</td>
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<tr>
<td></td>
<td>• Understand the new venture screening process</td>
</tr>
<tr>
<td></td>
<td>• Review the new venture screening approaches and apply them to the early stage small firm</td>
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<tr>
<td></td>
<td><strong>Readings:</strong></td>
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<tr>
<td></td>
<td>Lecture notes for Topic 3</td>
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<tr>
<td></td>
<td><strong>Activities:</strong></td>
</tr>
<tr>
<td></td>
<td>Exercise 2 – Assisting the survival firm “Sporting Chance Case Study”</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td><strong>The Process of Planning and Strategy in the Small Firm</strong></td>
</tr>
<tr>
<td><strong>January 12th</strong></td>
<td><strong>Objectives:</strong></td>
</tr>
<tr>
<td></td>
<td>• Understand the role of planning in the small business</td>
</tr>
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<td></td>
<td>• Examine the key factors for small business success</td>
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<td></td>
<td>• Recognize the importance of strategy formation</td>
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<tr>
<td></td>
<td>• Consider the major management skills required for small business creation and development</td>
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<td><strong>Readings:</strong></td>
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<td>Lecture notes for Topic 4</td>
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<td><strong>Activities:</strong></td>
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<td></td>
<td>Exercise 3 – Strategy and Planning in the Small Firm</td>
</tr>
<tr>
<td>Date</td>
<td>Topic</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------------------------------------------------------</td>
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</tbody>
</table>
| January 13th | Financing the Small Firm – Debt versus Equity and Cash Flows, Credit and Working Capital | - Identify the main sources of entrepreneurial capital  
- Understand the nature of "boot strap" financing  
- Know the difference between cash and profit  
- Understand and calculate the break-even point  
- Understand and apply the power of gross profit margin  
- Recognise the importance of pricing for profit  
- Review credit policy issues and relate these to cash flow management and profitability | Anderson, H., and Lawin, S. (2001). "Not All VCs are Created Equal." *Mit Sloan Management Review*  
Summer: 88-92.  
Harris, S. (1995). "Managing Organizations to Address the Finance Gap: A study of organizations that are doing so."  
| January 18th | Assisting the Small Firm to Grow                                     | - Understand how to analyse small business problems and opportunities  
- Understand the nature of small firm growth and its challenges  
- Examine a growth firm and consider its options and structure  
<table>
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<tr>
<th>6 January 18th</th>
<th>Small Firms and Human Resources – Coaching and Building Teams</th>
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| **Objectives:** | • Examine the Entrepreneurial Process Model  
| | • Understand the importance of delegation and team building  
| | • Compare Human Resource Management in small and large firms  
| | • Consider case studies of team building in small firms  
| | • Understand the importance of coaching and how to apply a coaching model  |
| **Readings:** | Lecture notes for Topic 8  
| **Activities:** | Exercise 7 – Coaching for success |

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<th>7 January 19th</th>
<th>Franchising – An Alternative to Going Solo? &amp; Legal Issues Facing Small Business</th>
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| **Objectives:** | • Define the term “franchise”  
| | • Understand the difference between franchising a product or service and an entire business operation  
| | • Recognize the importance of franchising as a business model  
| | • Consider the advantages and disadvantages of franchising  
| | • Understand the process of franchising  
| | • Understand the key legal issues facing small businesses and how they impact on operations;  |
| **Readings:** | Lecture notes for Topic 9  
<p>| <strong>Activities:</strong> | Exercise 8 – Franchising Systems &amp; Legal Entities |</p>
<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Objectives</th>
<th>Readings</th>
<th>Activities</th>
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</table>
| 8 January 19th | Small Firms and Family Business                                       | **Objectives:**                                                                                      | • Understand the nature of family ownership in small firms  
• Examine the challenges of family owned small firms  
• Understand the role of corporate governance and family ownership  
• Review the development process for succession planning in family owned firms  
|            |                                                                         | **Activities:**                                                                                     | Exercise 9 – Succession Planning in the Family Firm                                                                                                                                            |
| 9 January 20th | The Owner-Manager and the Troubled Company – Crisis Management        | **Objectives:**                                                                                      | • Understand the causes of small business failure  
• Examine causes and danger signals of impending trouble  
• Understand the characteristics of poorly performing firms  
• Review turnaround strategies for small firms and apply the principles to a case study  
|            |                                                                         | **Activities:**                                                                                     | Exercise 10 – Case Study in Crisis Management                                                                                                                                         |
| 10 January 20th | Buying, Selling and Valuing the Business                               | **Objectives:**                                                                                      | • Understand the concept of business valuation  
• Overview and assess different business valuation measures  
• Understand the nature of goodwill and how to measure it  
• Examine the advantages and disadvantages of buying an established small firm  
• Understand the process of preparing a business for sale  
*Forbes* 152(11): 142.  
|            |                                                                         | **Activities:**                                                                                     | Exercise 11 – Valuing a business for sale                                                                                                                                          |
Attendance

Participation in class, whether it be listening to a lecture or getting involved in other activities, is an important part of the learning process. For this reason the GSM has decided not to move to on-line teaching. It is, therefore, important that you attend classes (and be on time).

More formally, the University regulations state that ‘to complete a course or unit students shall attend prescribed classes, lectures, seminar and tutorials’. Students whose attendance at MBA units that has been unsatisfactory will not be granted a pass grade. Given the intensive mode of teaching for the Summer program, absence without prior permission from the lecturer is classified as unsatisfactory.

Taping of Lectures

The Graduate School does not provide tape recordings of lectures, however if you do wish to tape record a lecture then as a matter of courtesy, you should obtain the permission of the lecturer first.