**UNBC Small And Medium Sized Business Consulting Center:
A Market Demand Study**

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B.Sc, University of Northern British Columbia, 1998

Project Submitted In Partial Fulfillment Of

The Requirements For The Degree Of

Master Of Business Administration

The University Of Northern British Columbia

April 2006

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Abstract

UNBC Small and Medium Sized Business Consulting Centre; Market Demand

This paper evaluates the hypotheses that sufficient demand exists to support a self-sustaining small business consulting service operated by university students and faculty, and that the operation of this centre would benefit students, businesses, the community and the university.

The research proceeds by reviewing literature on the Canadian management consulting industry and student consulting programs in Canada and the United States.

Primary data was gathered from two sources; interviews with accountants, bankers, lawyers and business consultants and through direct surveying of business owners in the community. The individual interviews provided information into what services small business owners currently had access to and what gaps may exist. The electronic survey was used to determine how much interest there would be in student consulting services and what services, features and cost levels would be attractive to these businesses.

The paper concludes that there is significant demand in the Prince George marketplace for the proposed services of a University Business Consulting Centre. Through the comments received during individual interviews with community members, there is also evidence that these services would be of

benefit to all stakeholders involved as long as the proposed services were structured to not overlap with existing government sponsored programs and the direct competition with for-profit consultants was minimized.

To complete a full feasibility review for the development of this consulting program, the paper suggests further research into the costing and delivery models of the proposed service.

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Chapter 1

Introduction

Although small business is the backbone of the Canadian economy, many entrepreneurs do not possess the required expertise or knowledge for successful startup and growth of their business venture. This paper investigates the feasibility of a consulting program at the University of Northern British Columbia to bridge this gap. This centre would also provide an important training ground for students to gain first hand experience in the area of business.

Consulting Centre Goals:

The consulting center has four main goals. It will allow students to apply their new knowledge and research skills in real world scenarios. It will improve upon students networking, interviewing, listening, observational and presentation skills. It will allow student to provide much needed assistance to the Small Business Community at a nominal cost and it will act as a bridge between the business community and the university for the betterment of the community.

Importance of SME's to the Canadian Economy

Small & Medium sized businesses (SME's) contribute significantly to the Canadian economy. They account for over 50% of Canadian employment and over 2 million Canadians are self employed (cfib.com)

Importance of Consulting Services to SME owners

Many business owners do not possess the expertise for successful startup and planned growth of their companies. This results in only 55 to 60% of startup small businesses surviving longer than three years. Basic knowledge of business practices and access to individuals with business training and expertise could possibly avert many of these failures. A UNBC business consulting centre would provide regional businesses access to UNBC's talented pool of business schools and to the business program faculty.

Importance of Consulting Centre to the UNBC business students

Through participation in the consulting process, students would gain real world experience in applying their newly acquired knowledge and skills. The consulting center would also present excellent networking and mentoring opportunities for students as they are preparing to enter the work force full time.

Importance of Consulting Centre to downtown Prince George

If the consulting center were to be located in the downtown core of Prince George, it would contribute to the downtown revitalization by enhancing UNBC's presence in the area. If the center were able to positively influence the sustainability of their clients, more successful small businesses in downtown core would contribute to the city's tax revenues and broaden the business base for the entire area.

Aim/Objectives of the Study

The objective of this study is to determine if there is sufficient demand in the Prince George Market to support a self-sustaining, student staffed small and medium sized business consulting centre.

Hypotheses

1. Sufficient demand exists to support a self-sustaining small business consulting service

2. Operation of a UNBC small business consulting centre would benefit students, businesses, the community and the university

Methodology

Primary data was obtained by conducting two individual surveys. The first survey involved personal interviews with individuals in the Prince George area considered to be knowledgeable in the area of small business owners advisory and consulting needs. These individuals include accountants, lawyers, small business bankers as well as other individuals providing professional services to entrepreneurs. The second survey was an electronic survey sent out to small and medium sized businesses in the Prince George area. The intent of this survey was to determine what level of interest there would be in the utilization of a University Consulting Centre. Questions on service types, prices, frequency of use and service features were also included.

Literature Review

The literature reviewed was broken down into four main topics; managerial

consulting, student consulting, research methods and small business information.

Chapter 2

Literature Review

Introduction

In the world of business, management consultants are jacks-of-all-trades. Working through consulting firms or as independent contractors, they advise corporations and other organizations regarding an infinite array of issues related to business strategy—from reengineering to e-commerce, change management to systems integration. From billion-dollar mergers and acquisitions to corporate reorganizations in which thousands of jobs are at stake, they are the directors behind the scenes of nearly every major event in the marketplace (WetFeet.com, 2005).

The generic term "consulting" can encompass a wide variety of industries. "Consulting" is a big, one-size-fits-all term that includes virtually any form of advice giving. Pretty much anyone with a specialty in a field can offer consulting service. This paper focuses primarily on Management consulting; a broad category in its own right, often called strategy consulting. This segment of the industry includes firms that specialize in providing advice about strategic and core operational issues.

The increase in self employment in Canada, which according to Statistics Canada has accounted for the majority of employment growth in Canada in the

1990's and early 2000's, is dramatic. The increase in the self employment rate (the share of self employment of total employment) has increased to 18% from 14% after remaining stable throughout the 1980's. Add to this the proliferation of other small and medium sized enterprises and this figure increases to nearly 55% of the total employment market in Canada (CFIB, 2003). Given the fact that these self employed individuals are spread across all major industries and have varying degrees of work experience and a wide variety of educational backgrounds, this represents a significant market for management consultants.

According to a comprehensive study commissions by the Canadian Association of Management Consultants (CAMC) in 2004, Canada has a sizable market for management consulting, which accounts for $6.7 billion in spending annually on consultants. The study also indicates that the Canadian management consulting industry is increasingly well placed to expand into more North American Markets, and seize on opportunities in the United States – the largest global consumer of consulting services. The study found that while there is increasing competition both in the US and from overseas, there is also opportunity for Canadian firms to form strategic partnerships with competitors and seek business in other sectors beyond the heavily serviced IT sector. The advantages that Canadians possess are a result of their higher than average education level and close geographic proximity to the US. The study also states that business is increasingly going to a short list of large firms, but that there are increasing opportunities for small firms. This study also notes that the field is currently dominated by IT consulting

and public sector work. Since the IT sector is mainly serviced by a dozen or so of the largest consulting firms, growth opportunities can be found in other important sectors such as strategic consulting, cost reduction, outsourcing and other more specialized markets. The CAMC study also provides a current breakdown of average hourly billing rates by firm size. Based on the 2004 data reviewed entry level analysts in consulting firms earn $126 per hour in small firms increasing to $163 in large firms. Consultants range between $170 and $216 per hour, Sr Consultants between $224 and $299 per hour and Managers / Partners earn between $270 and $560 per hour. This price tag puts the services of traditional consulting firms out of reach for many small and mid size firms. Even for larger firms, individual department budgets are often far too constrained to utilize the services of an outside consultant. The CAMC report also indicates that consultants with varying levels of education staff the consulting marketplace. While it is noted that 4% of consultants possess a Ph.D. and that 41% have a Masters degree, a full 55% of industry consultants in Canada hold only a Bachelors degree.

Canadian Consulting Industry

The Canadian consulting industry has historically been concentrated in Ontario with Quebec, Alberta and British Columbia following. In 2003 these four provinces accounted for a full 94% of the Canadian market in management, scientific and technical consulting services. This is broken down to 48% in Ontario, 18% in Quebec, 16% in Alberta and 12% in BC (Statistics Canada,

2003). According to a June 2005 article in "Business in Vancouver" magazine, the pattern of large firms specializing in IT consulting also holds true for the British Columbia market. The two largest management consulting firms in BC are IBM Business Consulting Services and Sierra Systems Group Inc. These two firms have 820 and 324 employees respectively with 300 and 255 consultants locally. The next largest firms according to number of local consultants are Grant Thornton LLP, Bearing Point LP and Delloitte & Touche with 140, 89, and 48 local consultants. The fact that accounting firms round out the top five is not surprising based on the common practice in North America of providing consulting functions alongside accounting services. According to Adams and Zanzi (2004), the consulting industry has recently experienced dramatic problems due to actual and perceived collusion with the accounting profession as well as misconduct at the highest level. The double-digit gains in revenue in the 1990's for consulting firms have decreased to single digit gains and in some cases, losses in revenue.

This collusion issue, whether real or perceived, represents a significant opportunity for independent consulting firms to make further inroads into the market and a chance to gain market share. The issues of reputation, honesty and bias are increasingly important to firms utilizing management consulting services (Schlegelmilch et al., 1992).

Student Consulting

Many facets of the consulting industry have been explored over recent years, and specifically the student as consultant. Much of the available literature is based on the Small Business Institute student consulting program in the United States. The SBI provides free assistance to approximately 7000 businesses per year (Bornstadt & Byron, 1993). The SBI program in the United States involves approximately 20,000 students and 1000 faculty members at 510 universities. In Canada, student consulting is offered at a number of post secondary business schools. The Small Business Consulting (SBC) program at Queen's University School of business has been in existence for over a quarter century (Bamji, 2000). The Concordia Small Business Consulting Bureau in Montreal was founded in 1984 and offers a wide variety of services from experienced individuals who are pursuing post graduate degrees in business. Although these types of programs have been in existence for many years, there appears to be no formal research or evaluation of the academic literature. This disparity is likely due to the fact that the SBI is a national program in the United States, whereas in Canada each University has been designing and implementing its own version of the student consulting model.

Papers based on the SBI in the United States have been numerous and varied in their topics and research methodologies. In 1998 Junell's study reported that based on detailed surveys, there was reason to believe that the SBI consulting

process provided value to both the student and the businesses involved with the program. Weinstein undertook a detailed review of students as marketing consultants in 1990 and found that the client satisfaction rate was over 62%. This study also indicated that the SBI was providing an important service to primarily young, inexperienced, but well educated entrepreneurs. Many of whom could not afford to hire professional consultants. The Bornstadt and Byron paper focused on the results of the student consulting process. This paper indicates that student consulting does have a long term impact on the businesses that utilize their services. The vast majority of firms surveyed indicated that they implemented changes based on the recommendations of the student consultants, and 62% of the clients indicated some improvements in sales or profits as a result of the SBI assistance.

In Canada, one of the most innovative and widely known university consulting programs in which graduate and undergraduate students work under the direction of faculty is the Venture Development Program at the University of Calgary (Chrisman, 1998). This program consists of four programs: Projects, Business Owner Transitions, Forums, and the Legal Clinic. These programs are designed especially for clients who are sophisticated with respect to their technology, but often unsophisticated with respect to business management. Research has suggested that this program is effective in providing assistance to aspiring entrepreneurs and managers of growing ventures. A 1986 article by McMullan, Long and Graham reported the results of a telephone survey to fifty

venture managers who had received project assistance from students at the university. The results indicated that significant value was gained in terms of time gained or saved, knowledge gained, information gained, contacts made and strategic changes made. The clients rated the student recommendations as highly beneficial and indicated that most recommendations were implemented. The value added to those ventures was estimated to exceed $1.75 million. Clients also estimated that if the studies had been done by professional consultants it would have cost them $13,000 on average, an amount that they could not afford.

The benefits of student consulting are well documented, however the majority of paper are based on the United States SBI system. This system provides consulting services free of charge as it is a nationally funded program. The Canadian system differs greatly in that the student consulting services must be self supporting, the result is that University business consulting services are pay for use. This pay for use requirement does put student consulting in competition with commercial ventures and professional consultants to some degree. The Bamji article on Queen's small business consulting provides an excellent breakdown of how a student consulting program fits into this market and what market niches are best suited to student consultants. Based on the experiences of this program and surveys of past clients it is clear that a student consulting service can have an advantage over commercial consultants in terms of providing market research. This is a primarily due to the availability and

affordability of students to undertake the market research data gathering. This paper also gives some insight into the operational aspect of the SBC in terms of fees charged to clients and compensation of students. This particular program does not pay students for their time or work, undergraduate students are graded based on their input to the consulting process and the output delivered to the end client.

Conclusion

The market for management consulting services in Canada has grown steadily since 1998. This trend is also evident in British Columbia, which accounts for approximately 12% of the total Canadian market. The fact that BC's two largest consulting service providers are primarily focused on IT indicates that there is an opportunity for other firms to attain market share by broadening the scope of their consulting practice. If the fact that the number three, four and five firms are accounting firms and that many business owners believe that accounting functions and consulting functions should be separated is taken into consideration, this is a further supporting argument that there is a potential gap in the market. Compounding this market gap is the fact that many of the large consulting and accounting firms do not have a significant presence in Northern BC. One solution to this market gap would be a University sponsored, student consulting center. This consulting center would provide services similar in nature to the services offered by traditional consulting firms, but the fees would be able

to be significantly less. This would greatly increase the accessibility to businesses in Northern BC.

Since studies have indicated that reputation and cost are two of the largest determinants in the choice of a consulting company (Schlegelmilch et al, 1992). A university consulting center would be ideally positioned to capitalize on these factors and fill this consultancy gap. The reputation and non-biased nature of the university would carry weight with consumers of management consulting, and the fees involved with utilizing the services would be able to be kept low due to the use of inexpensive student talent.

Chapter 3

Methodology

Fieldwork

Primary data collected in this study was obtained through survey research. The first survey completed consisted of a semi-structured interview with local accountants, corporate lawyers, small business bankers and other professionals in the small business consulting / education field. This survey was completed as an initial source of information on the types of services in demand in the local market place. These individuals would have regular contact with entrepreneurs that are in the process of starting up a new business, looking for financing to expand their business or requesting professional services to enhance their business. Based on their detailed knowledge of the local region and contact with large numbers of business owners, their insights would provide information as to the extent of the demand for consulting services as well as information on what areas of managerial consulting would be in the highest demand categories.

The second survey was a web-based survey distributed by email and fax to local business owners. First, a pretest of the questionnaire was sent to approximately 10% of the expected sample. The pretest was used to determine possible response formats and to identify potential problems in the questionnaire construction. The questionnaire was kept brief (less than 5 minutes) since small business entrepreneurs are unlikely to respond to lengthy surveys (Elstrott,

1987). A mail survey was considered, but due to the low response rates and slow turnaround times for completed questionnaires, this method was avoided.

Definitions

Small and Medium Enterprise

The size of a business can be defined in many ways; by the value of its annual sales or shipments, by its annual gross or net revenue, the size of its assets or the number of its employees. Many institutions define small businesses according to their own needs: the Canadian Bankers' Association classifies a company as "small" if it qualifies for a loan authorization of less than $250 000, while the Export Development Corporation defines small or "emerging" exporters as firms with export sales under $1 million. Industry Canada has often used a definition based on the number of employees: goods-producing firms are considered "small" if they have fewer than 100 employees, while for service producing firms the cut-off point is seen as 50 employees. Above that size, and up to 499 employees, a firm is considered medium-sized. The smallest of small businesses are called micro-enterprises, most often defined as having fewer than five employees. The term "SME" (for small and medium-sized enterprise) is used to refer to all businesses with fewer than 500 employees, while firms with 500 or more employees are classified as "large" businesses

Consulting

A consultant (from the latin consultus meaning "legal expert" is a professional who provides advice in a particular area of expertise such as accountancy, technology, law, human resources, marketing, finance, public affairs or communication. Management consulting (sometimes also called strategy consulting) refers to both the practice of helping companies to improve performance through analysis of existing business problems and development of future plans, as well as to the firms that specialize in this sort of consulting. Management consulting may involve the identification and implementation of best practices, analytical techniques, change management and coaching skills, technology implementations, strategy development or even the simple advantage of an outsider's perspective. Management consultants generally bring formal frameworks ormethodologies to identify problems or suggest more effective or efficient ways of performing business tasks.

Self Sustaining

The dictionary definition of self-sustaining is the "ability to sustain oneself or itself independently". In the context of this study the term "self-sustaining" is used to indicate that the resource center is able to continue operations without continued financial sponsorship. It is self supporting in terms of the clients that students themselves have to procure, the revenues that are generated, and the expenses and disbursements that need to

Survey format:

The structured survey (appendix 1) contained:

- Multi point scale questions regarding use of consulting service, ex. interest in service, features of the service, specific types of service

- Open ended questions, ex. What would be your main reason for buying / not buying the proposed service, what would you expect to pay for service

- Identifiers, ex. Size of business (# employees, revenue), age of business, education level of respondent, gender of respondent.

The data obtained was analyzed to determine statistical significance and any sources of bias such as response rate bias and selection bias.

The Sample

The sample selection method used for this study deserves some comment. First, the typical desire is to use a random sample in the hopes of attaining results representative of the entire population. If the entire population itself can be used as a sample, this is more beneficial, since it eliminates the requirement of using statistics to make inferences to the entire population. It is however, nearly impossible in many cases to obtain information from all members of a given population. This results in a tradeoff between determining the sample to be used and the amount of effort required to obtain data on the full population. In this study access to the full population was not possible, so a subset of the population was used. Member lists were obtained from the Downtown Prince

George Business Improvement Association and the Prince George Chamber of Commerce. These two organizations represent many of the businesses and individuals in the market area that would be potential users of the consulting centers services. Resource limitation made it impossible to pursue a 100% response rate from the subpopulation although a high level of participation was desired. Therefore a follow up email and / or fax was utilized whenever possible to increase participation rates.

This selection process and the limited amount of follow up can introduce significant bias into the survey process. It is also possible that individuals who were favorably disposed to the services offered were more likely to respond to the questionnaire than those who were not interested. As previously mentioned, these sorts of problems exist with any study where less than 100% of a random sample or a population respond to a questionnaire. This does not indicate that the results obtained are meaningless however. These sources and types of errors are simply pointed out to ensure that the reader is aware that the numbers and estimates obtained are simply that, estimates. This is the primary reason that the individual interviews with knowledgeable members of the community were undertaken. These interviews provide additional insight and anecdotal evidence to support or reject the results obtained from the survey process.

All the interviewees have requested anonymity. Accordingly, the interviews are provided as a separate Appendix to this paper, which is confidential and which is

available only to staff and examiners who need to see it as part of the assessment process.

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Chapter 4

Results

Survey Responses

A total of 47 complete, usable survey responses were received from the 457

businesses sampled. The survey respondents were comprised of significantly

more men (70.2%) than women (table 3). The majority of respondents had been

in business for over five years (76.6%) the remaining were three to four years

old (17%) or startups less than two years old (table 2). The majority (80.9%) of

respondents would classify as small businesses based on having fewer than 50

employees (table 4). Another 8.5% were medium sized (51-500 employees) and

the remaining 10.6% were large companies with over 500 employees. Private

companies accounted for 74.5% of respondents were private companies, 14.9%

were public companies, 8.5% were not-for-profits and one response came from a

government agency (table 5). As table 7 indicates, the respondents came from a

wide array of businesses and had a broad range of educational background

ranging from high school (19.1%), college diplomas (12.8%), Bachelors degrees

(19.1%) to Professional Programs and Masters degrees (32%).

The low response rate achieved from the survey process caused some

difficulties in completing calculations that indicated statistical significance. This

low rate was primarily a function of the method of contacting prospective

businesses. The majority of businesses were contacted directly by the

Downtown Business Improvement Association by email or fax. One follow up

contact was also completed using the same communication medium by the DBIA. Further follow up was not possible since the DBIA was not able to share the contact list directly with the author due to privacy concerns. An additional 180 survey invitations were sent electronically to members of the Prince George Chamber of Commerce. Only those members who had an email account listed in the Chambers online member list were reachable. This unfortunately left out the majority of Chamber members. The selection method also resulted in a higher response rate from established businesses as these businesses are more likely to be members of the above-mentioned associations. This may have lead to an under representation of start up businesses, many of which would be in the target market for student consulting services.

Although the small sample size makes generalizations to the overall populations less accurate, 76.5% of the respondents responded favorably when asked if they were interested in utilizing the services of a student consulting centre. The responses to the question "If available, how interested would you be in using the services of a UNBC Business Consulting Center...", were 57.4 % somewhat interested and 19.1% extremely interested. Men (84.8%) showed more interest in utilizing student consulting services than women (61.5%).

The responses to the question of "What hourly rate would you expect to pay for this service" resulted in range of answers from $8 to $75 per hour. The mean of the responses was $30.21 with a standard deviation of 18.56. This indicates that

65% of the respondents were willing to pay between $11.65 and $48.77. The median of the responses was $25 per hour. The most popular responses were $15 (12.7%), $20 (8.7%), $25 (10.6%) and $50 (10.6%). The table below indicates the number of respondents who indicated how much they would pay by breaking the rates indicated into eight categories. The categories chosen are 0 ($0), 1 ($1-10), 2 ($11-20), 3 ($21-30), 4 (31-40) up to category 8 ($71-80). The most frequent category is category 2, with 12 responses indicating a rate between $11 and $20 per hour.

Figure 1: Hourly Rate Responses by Category

Histogram of Hourly Rate Category
Normal

Mean	3.263
StDev	1.826
N	38
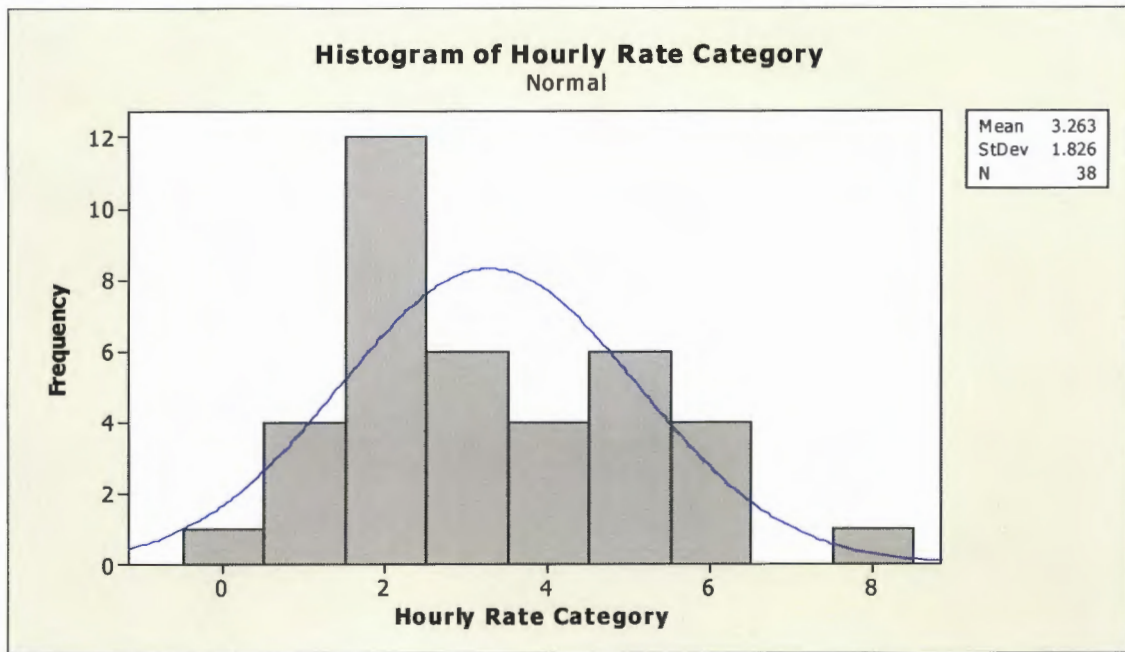
To determine if companies of varying sizes had different levels of interest in the service and if there was a difference in the level of price they were willing to pay, a cross tabulation (shown below) was performed comparing a companies interest in using the consulting service (1 = somewhat or extremely interested, 0 = not very or not at all interested).

Table 1: Interest in Consulting Service by Revenue Category

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Tabulated statistics: Interested in using service, Revenue
Category

Rows: Interested in using service   Columns: Revenue Category

            1        2        3        4        5 Missing      All

0        0.00     0.00    25.00    37.50    37.50       *   100.00
         0.00     0.00    16.67    25.00    21.43       *    18.60

1        8.57     5.71    28.57    25.71    31.43       *   100.00
       100.00   100.00    83.33    75.00    78.57       *    81.40

All      6.98     4.65    27.91    27.91    32.56       *   100.00
       100.00   100.00   100.00   100.00   100.00       *   100.00

Cell Contents:          % of Row
                        % of Column
```
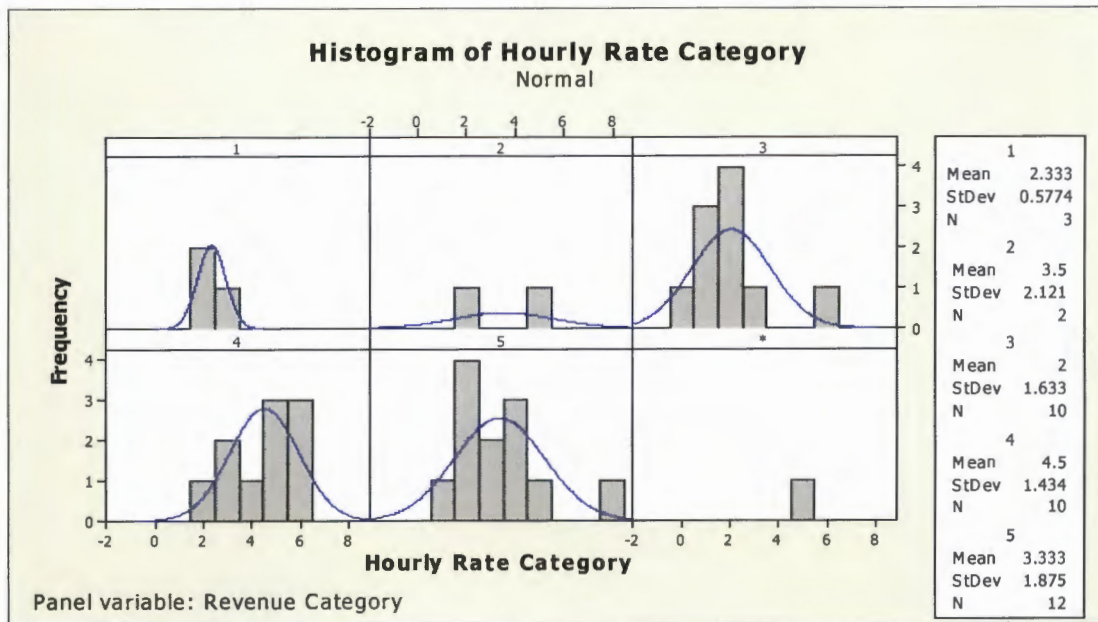
Revenue Categories:
1 Less than $30m; **2** $30m+ to $100m; **3** $100m+ to $500m; **4** $500m+ to $ 1 million;
5 Over $1 million

The cross tab clearly indicates that all respondents that were not interested in the services of a consulting centre belonged to the higher revenue firms (categories 3,4 and 5 representing firm revenue of $100,000 to over $1 million. There was however substantial interest from all categories, with 81.4% of companies that indicated what there revenues were being favorably disposed to using the service. To determine if there was a relationship between the size of the responding firms and the price they were willing to pay a pearson correlation was performed between the price category and the revenue category. The result indicates that the two categories are positively correlated with a P-Value of 0.130. The histogram below shows that on average larger firms are willing to pay more for consulting services.

Figure 2: Hourly Rate Breakdown by Firm Size (by revenue)

Histogram of Hourly Rate Category
Normal

	1	
Mean	2.333	
StDev	0.5774	
N		3
	2	
Mean	3.5	
StDev	2.121	
N		2
	3	
Mean		2
StDev	1.633	
N		10
	4	
Mean	4.5	
StDev	1.434	
N		10
	5	
Mean	3.333	
StDev	1.875	
N		12

Panel variable: Revenue Category

This data indicates that although the initial target market identified for a UNBC student consulting centre was small and medium sized business, large businesses may also be a market worth pursuing. This fact is also supported by the positive correlation found between firm size and the price that they would potentially pay.

The project type that respondents were most interested in using a consulting firm for was market research (table 8), 70.2% of respondents stated that this would be of interest to them. Market research was especially attractive to those individuals who stated they were interested in using the services of a UNBC consulting centre. Over 81% of respondents who were "somewhat interested" and 88.9% of those who were "extremely interested" in the centre indicated market research as a potential consulting project. Surveys (42.6%), business plans (42.6%), feasibility studies (36.2%) and Information technology (25.5%), rounded out the top five overall.

Another interesting fact that was extrapolated from the data is that businesses indicated that their future use for consulting services would be greater than their historical use if the UNBC consulting centre were available to them (table 8). Although 46.6% of respondents indicated that they have never used the services of business consultants in the past, only 6.6% indicated that they would not go to a UNBC consulting centre. In fact 20% stated that they would use the service for a one time only project and 66.6% indicated they would utilize the service on at least an annual basis. A portion of the sample (8.9%) even indicated that they would have projects for the centre on a monthly basis.

The open ended questions asking what the main reason would be for buying / not buying the service generated a wide variety of answers. The reason given most often for using the service was to obtain market research, market analysis and market information (17% of respondents). Expansion / growth of the business (10.6%) and the low cost of the service (6.3%) were also mentioned by numerous respondents. The reasons for not using the service primarily revolved around costs ((17%) and quality / dependability / experience issues with students performing the consulting duties (19.1%). These open ended responses are consistent with question 10 which asked "What features / attributes are important to you...". The quality of the service output was ranked as being important to 74.5% of respondents and low cost was important to 53.2% of respondents. Ease of access (53.2%) and physical location (48.9%) were also ranked high in

comparison with connected to UNBC. Only 31.9% of respondents indicated that this was an important or valuable attribute.

The consulting companies that respondents indicated that they had heard of indicated that government sponsored entities such as Community Futures Development Corp (80.9%) and Business Development Bank (74.5%) were the most well known. Other private firms (34%) and private accounting firms (29.8%) were also known to provide business consulting services. Of interest is that only 21.3% of respondents had heard of IBM Business Consulting Services, and 14.9% of Sierra Systems Group Inc. These two firms are the largest business consulting firms in Canada, but they seem to have little presence in Prince George and Northern BC. Other providers of consulting services that were not on the list of choices, but perhaps should have been would be law firms providing business consulting services, and the Innovation Resource Centre. Each had one respondent point them out as missing from the non-exhaustive list.

Interviews

Every interviewee indicated that they supported UNBC and its efforts to ensure that qualified, trained graduates were adequately prepared to enter the workforce (confidential interview notes attached as appendix 3). The support for a university consulting centre was also strong, but not unanimous. Very strong support came from bankers and accountants specifically, as they saw the centre as an excellent resource to refer their own clients to without any negative impacts

on their own businesses. Other interviewees from law firms and government sponsored programs were more guarded in providing their endorsement to the proposed service. This hesitation was not due to the fact that they did not feel that the centre could provide needed services and provide an excellent learning opportunity to students, it was more based on the belief that the centre should not duplicate or compete with existing services either in the public or private sector. Comments were also received from a small business IT consultant; his strong belief is that university programs should not be competing directly with private enterprise. These comments from private enterprise and from government sponsored programs indicate that the method of implementation and the process of collaboration with stakeholders would be very important in terms of successfully introducing a university consulting centre. Further research would need to be done in this area specifically to ensure maximum benefits for all involved.

Chapter 5

Conclusion

The paper investigated the market demand for a university run consulting center to provide managerial consulting services to small and medium sized business in Northern BC. The hypotheses were that significant demand exists for the service and that the service would benefit all stakeholders (students, businesses, the community and the university).

The sampling plan permitted self-selection by respondents with an active interest in supporting or using the services of a university consulting centre. It seems possible therefore, that intentions to use the service may be overstated relative to the larger population. Nevertheless, observed interest in using the services of the business consulting centre reflect strong local demand and suggest that an accessible and relevant operation would be well received.

Evaluations received from the group of interviewees contained both positive and negative feedback in regards to the proposed centre. The positive evaluations indicated that the centre would provide benefits to the students, the university and especially the community and its businesses. These beliefs are also supported by the available literature on student consulting. The evaluation of the US Small Business Institute by Weinstein (1990) clearly indicates that 80% of clients in their survey found the student reports to by useful for developing

marketing strategies for their business and 93% of clients surveyed indicated that the SBI program was of some benefit to them. Another study on the SBI program by Junell (1998) concluded that the program provided value to both the businesses and the students involved. The Borstadt study (1993) on the SBI found that on average the percentage sales, profits and employment growth were higher for SBI small business clients than for the average of all other businesses in the same state. These higher levels of profits and employment have clear benefits for the community. The negative feedback that was received does not negate or refute any of these findings. This level of negativity simply indicates that careful consideration and consultation would need to be undertaken with all interested parties and stakeholders before any moves were made to make the business consulting centre a reality.

It is thus the conclusion of this study that there is demand for a centre such as the one proposed and that it would provide benefits to the students, the university and the businesses involved as well as to the community as a whole.

Chapter 6

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Appendix 1: Survey

UNBC Small & Medium Size Business Consulting Center

Questions marked with a * are required.

Although small business is the backbone of the Canadian economy, many entrepreneurs do not possess the required expertise or knowledge for successful startup and growth of their business venture. This survey is designed to investigate the feasibility of a consulting program staffed by faculty and students of the University of Northern British Columbia. This consulting center would also provide an important training ground for students to gain first hand experience in the area of business. Consulting projects could involve, but would not be limited to: Market research / surveys, business plans, feasibility studies, business analysis, operations management, accounting / finance and information technology.

*1. The results of this survey will be compiled and utilized to prepare an estimate of demand for a UNBC Business Consulting Center. This project is being undertaken as part of the requirements to obtain an MBA degree from UNBC. Do you consent to the use of your survey answers for this purpose?

    ☐ Yes
    ☐ No

2. If available and regardless of how familiar you are with business consulting services, how interested would you be in buying/having the described service to support your work needs? Please check one

        ☐ Not at all interested
        ☐ Not very interested
        ☐ Neither interested or Uninterested
        ☐ Somewhat Interested
        ☐ Extremely Interested

3. Which project types would you be interested in using a consulting firm for?

- ☐ Market research
- ☐ Surveys
- ☐ Business Plans
- ☐ Feasibility study
- ☐ Operations management
- ☐ Accounting
- ☐ Finance
- ☐ IT
- ☐ Other: _____

4. Based on the description, what hourly rate would you expect to pay for the service? Please record one number, not a range.

5. Select what rating comes closest to best describing how you feel about the described service. One is the lowest rating, five is the highest.

	1	2	3	4	5
Quality	☐	☐	☐	☐	☐
Trustworthiness	☐	☐	☐	☐	☐
Value	☐	☐	☐	☐	☐

6. Assuming you ordered the service, how often would you use it?

☐ Once a month
☐ Every three months
☐ Two or three times a year
☐ Once a year
☐ One time only
☐ Would not use
☐ Other: [   ]

7. At what times or occasions would you use the service?

☐ Startup Company
☐ Company expansion into new geographic area
☐ Introduction of new product / service
☐ Modification of existing product / service
☐ Other: [   ]

8. Which other people do you expect would use the service? Please check all that apply

☐ Family member
☐ Co-worker
☐ Business partner
☐ Student
☐ Other: [   ]

9.

☐ Once a month

☐ Every three months

☐ Two or three times a year

☐ Once a year

☐ Once or twice

☐ Never

10. **What features/attributes are important to you or would you find valuable about this service? Please check all that apply.**

☐ Low cost

☐ Ease of access

☐ Physically located close to my business / in my marketplace

☐ Connected to UNBC

☐ Quality of service output

☐ Other: _____

11. **Please rate the features below in importance to you in terms of having them included in the described service. Select one rating for each on a 1-5 scale where (1) is "Not important at all" and (5) is "Extremely important."**

	1	2	3	4	5
Cost	☐	☐	☐	☐	☐
Reputation of consulting firm	☐	☐	☐	☐	☐
Quality of finished product / service output	☐	☐	☐	☐	☐
Linked to UNBC	☐	☐	☐	☐	☐

12.

13. What would be your main reason for not using this service?

14. What companies offering business consulting services have you heard of? Please check all that apply.

- ☐ Community Futures Development Corp
- ☐ Business Development Bank
- ☐ IBM Business consulting services
- ☐ Sierra systems group inc
- ☐ Other: Private firm
- ☐ Other: Private accounting firm
- ☐ Other: [   ]

15. How old is your company?

- ☐ Less than 1 year
- ☐ 1 - 2 years
- ☐ 3-4 years
- ☐ 5 years +

16. How many people are employed by your company?

- ☐ 1
- ☐ 2-5
- ☐ 6-10
- ☐ 11-50
- ☐ 51-100
- ☐ 101-500
- ☐ 500+

17. What is your company structure?

- ☐ Public Company
- ☐ Private Company
- ☐ Not for Profit
- ☐ Public sector / government
- ☐ Other:

18. What does your company do?

19. What is your company's annual revenue?

- ☐ Less than $30,000
- ☐ $30,000 to less than $100,000
- ☐ $100,000 to less than $500,000
- ☐ $500,000 to less than $1,000,000
- ☐ Over $1,000,000

20. What is the highest level of education that you have obtained?

- ☐ High School
- ☐ College Diploma
- ☐ Trade Program
- ☐ University Bachelors Degree
- ☐ Professional Program
- ☐ University Masters Degree
- ☐ Other: [ ]

21. Please indicate your gender.

- ☐ Female
- ☐ Male

22. Thank you for your time, please feel free to include any other comments

Submit Survey | Bottom of Form
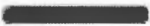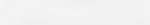
Appendix 2: Survey Results

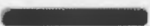## UNBC Small & Medium Size Business Consulting Center

Although small business is the backbone of the Canadian economy, many entrepreneurs do not possess the required expertise or knowledge for successful startup and growth of their business venture. This survey is designed to investigate the feasibility of a consulting program staffed by faculty and students of the University of Northern British Columbia. This consulting center would also provide an important training ground for students to gain first hand experience in the area of business. Consulting projects could involve, but would not be limited to: Market research, surveys, business plans, feasibility studies, operations management, accounting, finance and information technology. This survey will take approximately 5 minutes to complete.
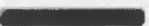
1. The results of this survey will used to prepare an estimate of demand for a UNBC Business Consulting Center. This project is being undertaken as part of the requirements to obtain an MBA degree from UNBC. Do you consent to the use of your survey answers for this purpose?

Yes	100.0%	(47)
No		(0)
TOTAL	**100.0%**	**47**

2. If available, how interest would you be in using the services of the UNBC Business Consulting Center to support your work needs? Please check one

|		
Not at all interested	8.5%	(4)
Not very interested	6.4%	(3)
Neither interested or Uninterested	8.5%	(4)
Somewhat Interested	57.4%	(27)
Extremely Interested	19.1%	(9)
TOTAL	**100.0%**	**47**

3. Which project types would you be interested in using a consulting firm for?

Market research	70.2%	(33)
Surveys	42.6%	(20)
Business Plans	42.6%	(20)
Feasibility study	36.2%	(17)
Operations management	21.3%	(10)
Accounting	10.6%	(5)
Finance	6.4%	(3)
Information Technology	25.5%	(12)
Other: student tracking	2.1%	(1)

4. Based on the description, what hourly rate would you expect to pay for the service? Please record one number, not a range.

#	Response
3	10
1	12.00
4	15
2	15.00
1	18
3	20
1	20.00
5	25
1	30.00
2	35
2	40
1	45
5	50
1	55
2	60
1	60.00
1	75
1	8

5. Select what rating comes closest to best describing how you feel about the described service. One is the lowest rating, five is the highest.

Average rank

	1	2	3	4	5	
Quality						(4.1)
Trustworthiness						(4.2)
Value						(4.1)

6. Assuming you ordered the service, how often would you use it?

Once a month	8.5%	(4)
Other: don't know	2.1%	(1)
Other: now and then	2.1%	(1)
Other: occasionally	2.1%	(1)
Once a year	19.1%	(9)

Other: Depends on quality of service and needs for business	2.1%	(1)
Other: don't know	2.1%	(1)
Other: now and then	2.1%	(1)
Other: occasionally	2.1%	(1)

7. At what times or occasions would you use the service?

Startup Company	25.5%	(12)
Company expansion into new geographic area	44.7%	(21)
Introduction of new product / service	46.8%	(22)
Modification of existing product / service	51.1%	(24)
Other: Market analysis	2.1%	(1)
Other: Non routine issues	2.1%	(1)
Other: ongoing student tracking	2.1%	(1)
Other: reaching new markets in region	2.1%	(1)
Other: Referrals for others	2.1%	(1)
Other: Research to support my work	2.1%	(1)

8. Which other people do you expect would use the service? Please check all that apply
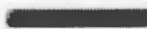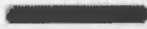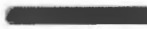
Family member	6.4%	(3)
Co-worker	27.7%	(13)
Business partner	38.3%	(18)
Student	6.4%	(3)
Other: Clients	8.5%	(4)
Other: funding agencies	2.1%	(1)
Other: members	2.1%	(1)
Other: other business	2.1%	(1)
Other: other businesses	2.1%	(1)

9. How often have you used business consulting services in the past? Please check one.
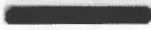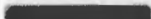
Once a month	6.4%	(3)
Every three months	2.1%	(1)
Two or three times a year	10.6%	(5)
Once a year	10.6%	(5)
Once or twice	21.3%	(10)
Never	46.8%	(22)

| TOTAL | � 97.9% | 47 |

10. What features/attributes are important to you or would you find valuable about this service? Please check all that apply.

Low cost	▬▬▬ 53.2%	(25)
Ease of access	▬▬▬ 53.2%	(25)
Physically located close to my business / in my marketplace	▬▬▬ 48.9%	(23)
Connected to UNBC	▬▬▬ 31.9%	(15)
Quality of service output	▬▬▬ 74.5%	(35)
Other: Access to resources not available in-house.	▬ 2.1%	(1)
Other: accuracy of survey's	▬ 2.1%	(1)
Other: being a part of a mentor program	▬ 2.1%	(1)
Other: benefit of results	▬ 2.1%	(1)
Other: Referrals	▬ 2.1%	(1)

11. Please rate the features below in importance to you as it relates to business consulting services. Select one rating for each on a 1-5 scale where (1) is "Not important at all" and (5) is "Extremely important."

Average rank

	1 2 3 4 5	
Cost	▬▬▬	(4.1)
Reputation of consulting firm	▬▬▬	(4.2)
Quality of finished product / service output	▬▬▬	(4.7)
Linked to UNBC	▬▬▬	(2.9)

12. What would be your main reason for buying the service?

| # | Response |

1	Increase sales
1	Insurance against making bad business decisions
1	Interest in a perceived younger workforce / quality assurance and cost
1	lack of time to do it myself
1	Better understanding of operations, analysis of business plans and change to
1	low cost
	operations and business plans. Impact on business.
1	Low cost for basic service
	Business needs
1	Market analysis
1	Market information. Recommend to start-ups to seek business plan assistance.
1	Marketing
1	need

1 I don't have the access to the public and business contacts that a consulting firm would be able to offer.

1 Increase sales

1 Insurance against making bad business decisions

1 Interest in a perceived younger workforce / quality assurance and cost

1 lack of time to do it myself

1 low cost

1 Low cost for basic service

1 Market analysis

1 Market information. Recommend to start-ups to seek business plan assistance.

1 Marketing

1 need

1 Outsource of specialties

1 possibility of answering questions

1 supplement existing skills and research

1 supporting locally

1 targeting of select potential clients.

1 Time savings

1 To assist me in maintaining a viable going concern capable of meeting the changing needs of my customers as they arise.

1 to expand business

1 To find more inhouse expertise on fields of research. Most times businesses who want to start up don't know demographics, relative income brackets, age, tastes etc

1 To grow and expand my business

1 To improve sales and efficiency

1 To reach new business markets for our products & services

1 To test the market for a new service or product. To create a business plan for a new service or product.

1 Try it out

1 We have clients who do not have these skills and can not seem to commit to developing them. They need someone to do the work for them

13. What would be your main reason for not using this service?

**Response**

1 BEING ASBLE TO COMPETE AS A LOCAL FIRM AND EXIST WITH THE INFLUX OF BIG BOX RETAIL

1 company structure

10 cost

1 Cost & dependability.

1 Do not currently use consulting firm services. Have corporate consultants to perform described services

1 Don't want to be a guinea pig if it's students with no experience.

1 If I used service and was disappointed by quality

1 If it were too expensive. You should offer various levels of service / levels of cost.

1 If the cost was to high. For a lot of startups and new businesses, they cannot afford to spend a lot on a project that might not be followed through on.

1 In-house services cover some of the same areas.

1 Lack of expertise

1 lack of expertise or not professional

1 No use for it at the time, or not offering what it was that I was needing at that time. - Cost of course - it is always a concern of anyone's.

1 Our objective is to develop the capacity of the entrepreneur to do this work themselves during the stage of their enterprise when they need to learn for themselves and when funding is not always readily available

1 poor quality, or if I got the expectation that there would be little value.

1 Priced too high. Lack of quality. Lack of confidentiality.

1 Prohibitive cost.

1 Quality of product

1 Since we are a marketing research firm it would be a conflict of interest to use this service. We have our own in house consultants for the services offered by the UNBC consulting center

1 typically expensive and difficult to implement recommendations

1 Unqualified personnel

1 we are supporting the development of future business leaders

1 We provide business consulting services

14. What companies offering business consulting services have you heard of? Please check all that apply.

Community Futures Development Corp	████████ 80.9%	(38)
Sierra Systems Group Inc	███ 14.9%	(7)

IBM Business consulting services	21.3%	(10)
Sierra Systems Group Inc	14.9%	(7)
Other: Private firm	34.0%	(16)
Other: Private accounting firm	29.8%	(14)
Other: Innovation Resource Centre	2.1%	(1)
Other: Law firms, training institutions	2.1%	(1)
Other: Professional Development Int.	2.1%	(1)

15. How old is your company / organization?

Less than 1 year	2.1%	(1)
1 - 2 years	4.3%	(2)
3-4 years	17.0%	(8)
5 years +	76.6%	(36)
TOTAL	100.0%	**47**

16. How many people are employed by your company / organization?

1	12.8%	(6)
2-5	21.3%	(10)
6-10	17.0%	(8)
11-50	29.8%	(14)
51-100	6.4%	(3)
101-500	2.1%	(1)
500+	10.6%	(5)
TOTAL	100.0%	**47**

17. What is the structure of your company / organization?

Public Company	14.9%	(7)
Private Company	74.5%	(35)
Not for Profit	8.5%	(4)
Public sector / government	2.1%	(1)
TOTAL	100.0%	**47**

18. What does your company / organization do?

#	Response
1	Business & Economic Development Consulting
1	Business Association
1	Computer Software Consulting
1	Driving Instruction
1	Financial Institution

map sales

1 Business & Economic Development Consulting

1 Business Association

1 Computer Software Consulting

1 Driving Instruction

1 Financial Institution

1 financial planning

1 financial services

1 Highway maintenance and infrastructure

1 Industrial wholesale and retail

1 Insurance / Travel Services/ Road Assist Services

1 interior design, building design, planning, project management

1 land title & mobile home services, personal property liens

1 Law firm

1 Law Practice

1 Maintain city services

1 Make eyeglass lenses

1 Management Consulting

1 manufacture lumber

1 Manufacturing

1 Marketing Research

1 Medical Spa

1 Office products

1 Professional Training (transports and machinery) and Compliance

1 property management/real estate sales

1 Pulp and paper

1 Rent vehicles

1 resource consultant

2 retail

1 retail audio / video

2 Retail sales

1 RETAIL SERVICE STATION AND FAST LUBE

1 Retail Specialty Store

1 Sell & Support Accounting Systems

1 Software Development

1 website hosting and desktop publishing

19. What is your annual revenue?

Less than $30,000	6.4%	(3)
$30,000 to less than $100,000	4.3%	(2)
$100,000 to less than $500,000	25.5%	(12)
$500,000 to less than $1,000,000	25.5%	(12)
Over $1,000,000	29.8%	(14)
TOTAL	**91.5%**	**47**

20. What is the highest level of education that you have obtained?

High School	19.1%	(9)
College Diploma	12.8%	(6)
Trade Program		(0)
University Bachelors Degree	19.1%	(9)
Professional Program	27.7%	(13)
University Masters Degree	4.3%	(2)
Other:	2.1%	(1)
Other: Associates Degree	2.1%	(1)
Other: irrelevant	2.1%	(1)
Other: Military education	2.1%	(1)
TOTAL	**91.5%**	**47**

21. Please indicate your gender.

Female	27.7%	(13)
Male	70.2%	(33)
TOTAL	**97.9%**	**47**

22. Thank you for your time, please feel free to include any other comments

#	Response

1 As the proprietor of a management consulting firm, I am concerned that potential clients will access free or close to free resources that compete with the services that I offer . I think this has the potential of negatively impacting management consulting and accounting firms in Prince George and their ability to compete in a tight market. These services are already available in Prince George. Moreover, most professionals practicing as

business consultants for networking purposes and to obtain advice on how to structure your service: - organizational structure -how to market and deliver service - how to dovetail your service with "competing" services to find an appropriate niche or demand 7. You should ask what related services may be needed (for future expansion)

1 As the proprietor of a management consulting firm, I am concerned that potential clients will access free or close to free resources that compete with the services that I offer . I think this has the potential of negatively impacting management consulting and accounting firms in Prince George and their ability to compete in a tight market. These services are already available in Prince George. Moreover, most professionals practicing as consultants do so after obtaining valuable experience in their line of work. Consultants without a lot of actual work experience cannot offer the same level of quality. However, small business owners, who may not be aware of the differences would be attracted to the low cost which would not actually help them in the long run. A more effective way for MBA students to gain necessary experience would be to partner them with Businesses already providing services in this area. This would allow the students to gain experience without negatively impacting small business who are already providing services and perhaps driving them out of the community - thus weakening the communities ability to provide qualified services as well as educational opportunities.

1 Being from the professional training sector, I feel this is long overdue as I am a true believer in adding "real life" scenarios to any training program.

1 Build this up to a thriving business center.

1 Good luck with your initiative.

1 I don't think quoting hourly rates is appropriate... a contract price is easier to control. In particular, if I'm hiring students, graduate or otherwise, I'm hiring less than fully skilled individuals and therefore, don't want to have to pay for what might be unproductive and open ended billing. A mutually agreed upon fixed price for delivery of a specific product / service is more appealing... less chance for misunderstanding. Though hourly rates may be more appropriate for raw data catchments and reporting, etc.

1 I would like to hear more about what you are proposing to do

1 Sounds like a good idea - should be an interesting extension for some students. If resources are well placed could do very well. Business start up is certainly a difficult time and entrepreneurs need all the help they can get. Good Luck!

1 Unsure if I would use service, but concept is very interesting.

1 While your survey does not appear to apply to a long established small business, we would wholeheartedly support any venture that would promote growth and demographic character of the downtown core. A UNBC

Consulting Centre would need significant public exposure to ensure the knowledge of it being a service to the "general public" and limited to any university enrolment criteria. This venture would need to be well marketed highlighting what services were offered. Many small business ideas may be jumpstarted just knowing help was so close. As a UNBC teaching tool, I would expect that attributes like trustworthiness and honesty are inherent. Quality, indicative of experience, may be less, but this would be offset by the cost. As part of a curriculum for the MBA degree, I would expect the rate charged should be based on the cost, or at a significantly lesser rate than what current market charges are for this type of service.

The results of this survey will be made available at www.downtownpg.com

Table 2 - 9: Cross tabulation of survey data

"If available, how interest would you be in using the services of the UNBC Business Consulting Center to support your work needs? Please check one"vs "How old is your company / organization? "

	Less than 1 year	1 - 2 years	3-4 years	5 years +	Totals
Not at all interested:	0	0	2	2	**4**
Not very interested:	0	1	0	2	**3**
Neither interested or Uninterested:	0	0	1	3	**4**
Somewhat Interested:	1	0	4	22	**27**
Extremely Interested:	0	1	1	7	**9**
TOTALS	**1**	**2**	**8**	**36**	**47**

"If available, how interest would you be in using the services of the UNBC Business Consulting Center to support your work needs? Please check one"vs "Please indicate your gender. "

	Female	Male	Totals
Not at all interested:	2	2	**4**
Not very interested:	1	2	**3**
Neither interested or Uninterested:	2	1	**3**
Somewhat Interested:	7	20	**27**
Extremely Interested:	1	8	**9**
TOTALS	**13**	**33**	**46**

"If available, how interest would you be in using the services of the UNBC Business Consulting Center to support your work needs? Please check one"vs "How many people are employed by your company / organization? "

	1	2-5	6-10	11-50	51-100	101-500	500+	Totals
at all interested:	0	1	0	2	0	0	1	4
very interested:	0	0	1	2	0	0	0	3
ither interested or interested:	0	2	2	0	0	0	0	4
mewhat Interested:	4	7	3	7	2	1	3	27
tremely Interested:	2	0	2	3	1	0	1	9
TOTALS	6	10	8	14	3	1	5	47

"If available, how interest would you be in using the services of the UNBC Business Consulting Center to support your work needs? Please check one"vs "What is the structure of your company / organization?"

	Public Company	Private Company	Not for Profit	Public sector / government	!other	Totals
ot at all interested:	0	3	1	0	0	4
ot very interested:	0	3	0	0	0	3
either interested or Uninterested:	0	4	0	0	0	4
mewhat Interested:	6	18	2	1	0	27
tremely Interested:	1	7	1	0	0	9
TOTALS	7	35	4	1	0	47

"If available, how interest would you be in using the services of the UNBC Business Consulting Center to support your work needs? Please check one"vs "What is your annual revenue?"

	Less than $30,000	$30,000 to less than $100,000	$100,000 to less than $500,000	$500,000 to less than $1,000,000	Over $1,000,000	Totals
ot at all interested:	0	0	1	1	1	3
ot very interested:	0	0	0	1	1	2
either interested or Uninterested:	0	0	1	1	1	3
omewhat Interested:	3	1	9	5	8	26
xtremely Interested:	0	1	1	4	3	9
TOTALS	3	2	12	12	14	43

"If available, how interest would you be in using the services of the UNBC Business Consulting Center support your work needs? Please check one"vs "What is the highest level of education that you have obtained?"

	High School	College Diploma	Trade Program	Bachelors Degree	Professional Program	Masters Degree	!other	Totals
ot at all interested:	2	0	0	1	1	0	0	4
ot very interested:	0	0	0	1	1	0	0	2
either interested or ninterested:	2	0	0	1	0	0	0	3
omewhat Interested:	3	5	0	5	7	1	4	25
xtremely Interested:	2	1	0	1	4	1	0	9
TOTALS	9	6	0	9	13	2	4	43

...able how interest would you be in using the services of the UNBC Business Consulting Center to support your work needs? Please check one"vs "Which project types would you be interested in using a consulting firm for?"

	Market research	Surveys	Business Plans	Feasibility study	Operations management	Accounting	Finance	Information Technology	other	Totals
	0	0	0	0	0	0	0	0	0	0
	2	1	0	0	1	1	0	0	0	5
or ...ied:	1	1	1	1	0	0	0	1	0	5
	22	11	11	10	5	2	0	7	0	68
	8	7	8	6	4	2	3	4	1	43
LS	33	20	20	17	10	5	3	12	1	121

Assuming you ordered the service, how often would you use it?"vs "How often have you used business consulting services in the past? Please check one."

	Once a month	Every three months	2 or 3 times a year	Once a year	Once or twice	Never	Totals
month:	1	0	0	1	1	1	4
three months:	0	0	0	0	0	0	0
three times a year:	1	1	4	1	6	4	17
year:	0	0	1	3	2	3	9
only:	0	0	0	0	0	7	7
not use:	0	0	0	0	0	3	3
	1	0	0	0	1	3	5
TOTALS	3	1	5	5	10	21	45

Appendix 3: Interview Responses

Eric Bennett – Community Futures Development Corporation

"There would seem to be cross over between the proposed service on some aspects of CFDC and there would be some competition with existing businesses. Market research would be one area where a student consultant would be of value, as market research is dreaded by the majority of business owners."

Tom McBride – Business Development Bank of Canada

"It would seem that what you are proposing would complement what BDC does. We do have a consulting arm but it is targeted at higher end businesses. They charge a couple of thousand dollars for an initial proposal, full contracts range between five and twenty thousand. The initial, inexpensive project services are not a fit with BDC's current offering. When startups come in to the office we give basic suggestions and direct them to a business planning website or to an accountant. We also recommend CFDC quite regularly. I would say between 50% and 75% of startups coming through the door are referred to one of those three sources."

Michael Kerr – National Research Council

"I have used the university as a resource for some small projects in the past, I went directly to the appropriate professor to enlist their help. The benefit of this is that you get a lot of energy from students. I would recommend you stick with 4th year students, they are very keen and can do a great job if they are appropriately supervised. In my experience, firms often hire one or two of the keenest students once the initial project is complete. For startups with limited knowledge, students are great. They do not have the same networks as a more experienced practitioner though, and sometimes companies that have been in a particular business for a while and need more detailed, in depth studies need this. I think there would definitely be enough work to keep a student consulting group going."

Katherine Voit – Export North

"I personally and professionally think that this type of project has value. Especially market research and business plans. Many of our customers have the technical skills in their particular field, but lack the experience or time to do the work when it comes to research and planning. This would also provide excellent experience for the students involved. It would provide a type of co-op experience without making a full commitment to a co-op program. There are some very valuable organizations in the area that provide some of the services suggested, but there is no one-stop-shop for business owners to access."

Norm Schmitz – Accountant; Schmitz, Anderson, Nielson

"This type of service would not be competition for us. It looks like there might be some overlap with CFDC. We do some business plans for clients but refer the majority out to other organizations. It would probably cost a client $10-15m for us to work through an entire business plan with them. An organizations such as CFDC has this as their mandate and provides services at low or no cost."

Evelyn Rancourt – Small Business Banker, Scotiabank

"I think this is a great idea. CFDC does provide some of these services to small business and they offer some great programs. They are often too slow to fit a clients needs though, and they don't really suit all clients, such as those who just want their business plan done. The other option that clients have for business plans is to go to an accountant, they are way too pricy for most small startups. A lot of the people I meet want to start a business and they just don't have a lot of time to spend on the planning and research side. If they could hire out some of this it would be really valuable, especially for people who already have full time jobs. Most of the customers we see could use a little help from time to time. I think that the banks would definitely send referrals to a student consulting firm, and the first hand knowledge that the students would get from working with clients would be invaluable."

Roy Spooner – Innovation Resource Centre (via email)

"I am in fact in favour of your general intent. I am frequently finding instances where a service is being offered which is redundant to what is already available. It seems to me that the best reason to start programme is that it would provide a learning opportunity for the MBA students at very modest cost to established businesses. There are several organizations, funded by the government, who provide start-up support to entrepreneurs. I do hope that UNBC increases it's profile downtown and that the MBA programme finds a way to contribute to the business community in exchange for the learning opportunities they will have. As I indicated in the survey we do have clients who need to hire help that we do not provide in order for them to move forward and we will likely include the new service in the referral list."

Alan Dixon – Advantage Computer Solutions (via email)

I am a local small IT business owner. I see you are proposing a Business Consulting Centre supported by UNBC, which would create more 'direct' competition in the market place of my business. Perhaps you should do some marketing to see how many businesses you will effect and if the possibly 'negative' effect that will create is something that UNBC wishes to associate itself with. I find it interesting that you would on one hand come to local business for employment and on the other create a Business Consulting Centre offering

services to the local market. I will observe this development closely and as you can tell from my tone. I support UNBC when it supports local businesses thru training of qualified employees, but NOT in direct competition to the existing business owners.

P.S. Please note that it's is not the competition that is the issue as heaven knows we get new competitors every day, but I disagree with the source being UNBC.