

# Survey to Scope Demand for Potential AusIndustry Project

## “Building Young Entrepreneurs in the Mid North of South Australia”

Commercial-In-Confidence

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## Introduction

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In November 2005, AusIndustry called for project submissions under their Small Business Entrepreneurship Program.

In December 2005, the Mid North Regional Development Board surveyed 43 young small business owners and managers from throughout the mid north region. The survey was designed to determine if there was an unaddressed need and demand for an entrepreneurial capacity building project that is aimed at the specific needs of young business owners and managers within the Mid North region of South Australia.

The results of the survey will determine if a submission by the Mid North Regional Development Board for potential funding by AusIndustry under their Small Business Entrepreneurship Program will be developed. The survey represents a stop go point for the project. If the survey is positive, then a full project submission will be developed.

The project, “Building Young Entrepreneurs in the Mid North of South Australia”, is proposed to achieve the following project outcomes:

- ▶ To build the competence and capacity of young business owners and managers in the identification, commercialisation and execution of new and existing business opportunities;
- ▶ To build a culture of entrepreneurship and innovation within the region;
- ▶ To develop a self sustaining network of peers who can mentor each other and develop strategic alliances;
- ▶ To provide a mechanism for the formal recognition of competence.

The results support and provide justification for the development of a full project proposal.

## Survey Participants

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The survey participants were selected by the Mid North Regional Development with support and input from Rural Directions Pty Ltd. Forty-three participants were chosen because they were known to be:

- ▶ Young (Under 35 years old)
- ▶ Successful business owners and managers
- ▶ Working in the Mid North region of South Australia
- ▶ Potential entrepreneurs in the Mid North region

The participants were from a variety of industries. These included agriculture, retail, agriculture services, property, hospitality and construction. The majority of participants were from the agriculture industry as this is the one of the predominant employers in the Mid North region.

The Mid North region includes the following towns:

- ▶ Balaklava
- ▶ Blyth
- ▶ Burra
- ▶ Clare
- ▶ Farrell Flat
- ▶ Freeling
- ▶ Gladstone
- ▶ Gulnare
- ▶ Hamley Bridge
- ▶ Jamestown
- ▶ Koolunga
- ▶ Laura
- ▶ Mallala
- ▶ Riverton
- ▶ Saddleworth
- ▶ Sevenhill
- ▶ Spalding
- ▶ Tanunda
- ▶ Tarlee
- ▶ Wasleys
- ▶ Yacka

## **Survey Methodology**

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The participants that were initially surveyed were chosen against the criteria outlined in the previous section.

To ensure that this surveyed included the maximum number of young business owners and managers from the Mid North district, participants were asked to refer names of peers who they thought would be interested in this project. Most participants provided at least two names. These new names were added to the participant list and surveyed.

Once the new names provided started to reoccur it demonstrated that the entire network was complete and had been surveyed. This reassured the interviewers that the entire group of young business owners and managers had been surveyed from within the region. This also provided a high degree of confidence in the survey results.

## Summary of Results

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The survey results demonstrated that:

- ▶ 82% of respondents indicated they have identified future opportunities to expand, grow and develop new business
- ▶ 60% have attended business training in the past
- ▶ 78% of those who had attended business training in the past, believed that training they have attended has provided them with a competitive advantage and confidence to exploit new business opportunities (overall this figure was 49% of the total surveyed)
- ▶ 95% said they would be interested in participating “in-principle” in the proposed building entrepreneurship project
- ▶ Hot topics where greater than 75% of respondents indicated high business relevance and needed to be covered in the proposed project included information technology management, business compliance, leading and managing people, cashflow management, marketing, risk management, managing growth, business opportunity assessment, business operations management, project and time management and business strategic planning.
- ▶ Perceived business challenges included managing future growth, marketing and managing declining terms of trade.

## Results

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1. From the following list how would you rate the relevance of the following topics to your business over the next twelve months?

No relevance at all (1), some relevance (2) or highly relevant (3)

- ▶ Industrial relations
- ▶ Intellectual property management
- ▶ Information technology management
- ▶ Risk management
- ▶ Business compliance
- ▶ Leading and managing people
- ▶ Cashflow management
- ▶ Managing growth
- ▶ Attracting and induction of staff
- ▶ Business opportunity assessment
- ▶ Marketing
- ▶ Business Operations management
- ▶ Commercialisation of ideas
- ▶ Project and time management
- ▶ Business strategic planning
- ▶ Business mentoring
- ▶ Business innovation
- ▶ E-business

The responses for this question were tallied and then turned into a percentage, the higher the percentage the greater the relevance and therefore needs to be included in the project.

The top ten most relevant topics were:

1	Cashflow Management	95%
2	Marketing	92%
3	Risk Management	88%
4	Business Strategic Panning	88%
5	Managing Growth	88%
6	Information technology management	87%
7	Leading and Managing people	85%
8	Business opportunity assessment	85%
9	Business operations management	85%
10	Project and time management	85%

Cashflow management is a very hot issue for the agriculture industry as it has been a lean year and it is harvest time so cashflow is at the front of everyone's thinking. Marketing is also a relevant topic; currently many of the farmer participants were thinking of marketing their grain which is becoming increasingly difficult. The other industries were thinking about marketing their products and business in order to promote their products effectively in the region.

The remainder of topics scored between 83% and 60%. This demonstrates that all of the topics listed were relevant to the majority of participants.

The four topics that scored between 83% and 76% were:

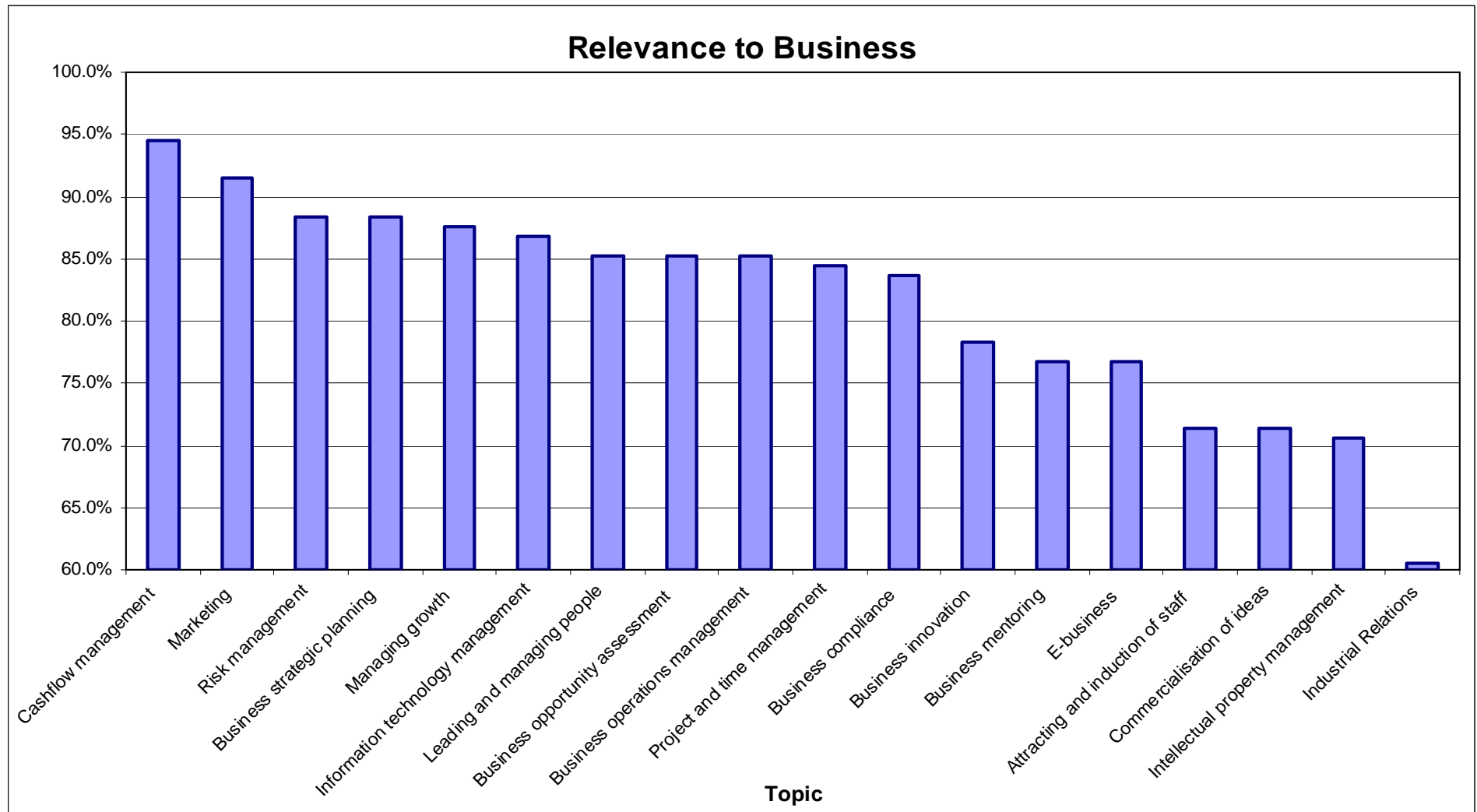
Business Compliance	83%
Business Innovation	78%
Business Mentoring	77%
E-Business	76%

The topics listed above were thought to be lower due to a lack of understanding about the relevance of the topic to their business. The lowest scores were thought to be due to lack of understanding about exactly what the topic meant and its relevance to their business.

The four lowest scores that could have been impacted on by this issue were:

Attracting and Induction of Staff	71%
Commercialisation of ideas	71%
Intellectual property management	70%
Industrial relations	60%

It was noted that Leading and Managing people scored in the top ten topics, while Attracting and Induction of staff scored in the bottom four. It would have been expected that these topics would have scored similarly because they are complimentary. Some comments that were noted when these topics were discussed included “I don’t employ anyone so this is not relevant” and conversely, “I am looking to employ when my business grows, so this is very relevant”. This demonstrates that some see employment as an opportunity where as others do not.



**Figure One:** Question One Responses

2. What perceived business challenges are you anticipating over the next three years?

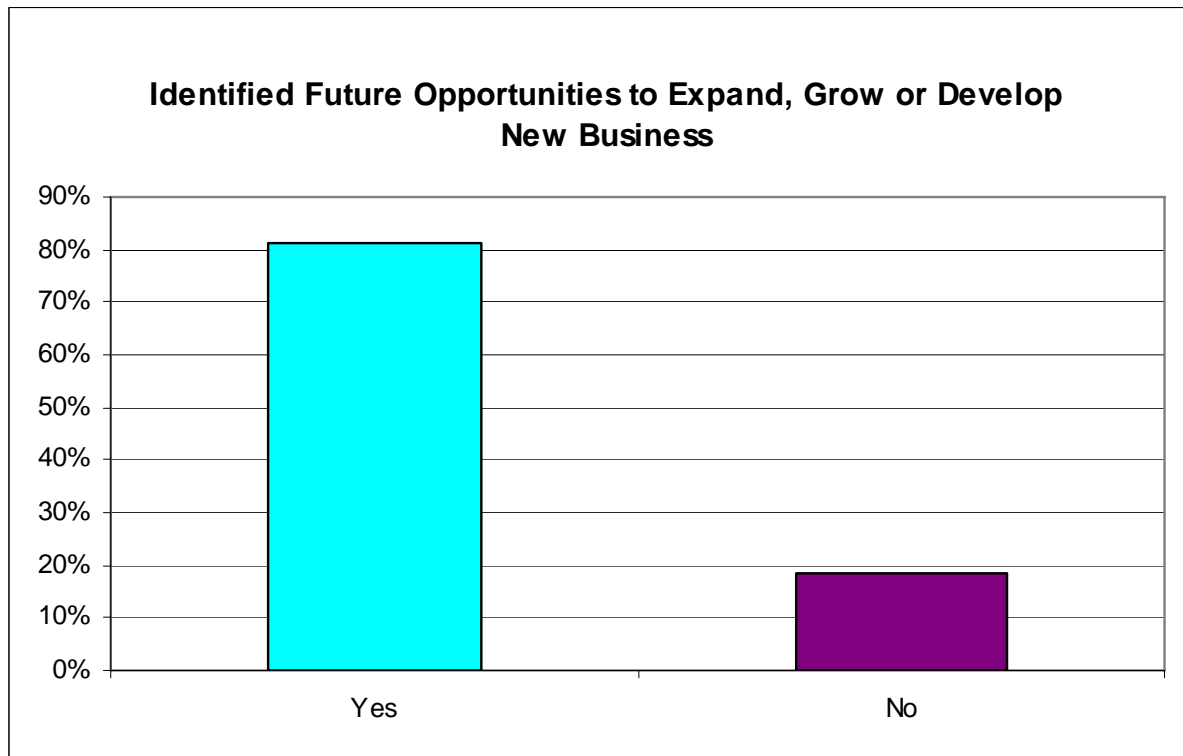
Responses included:

- ▶ Future growth
- ▶ Marketing
- ▶ Succession planning
- ▶ Commodity prices
- ▶ Input costs
- ▶ New clients and maintaining current clients
- ▶ Cashflow
- ▶ Declining terms of trade
- ▶ Employing people
- ▶ Finding and retaining great staff
- ▶ Risk management
- ▶ Competition and market share
- ▶ Differentiation and diversification
- ▶ Human Resource Management
- ▶ Time management

All of the responses are topical issues throughout the industries the respondents work in. the majority of responses were topics that would be covered in the proposed project.

3. Have you identified future opportunities to expand, grow or develop new business?

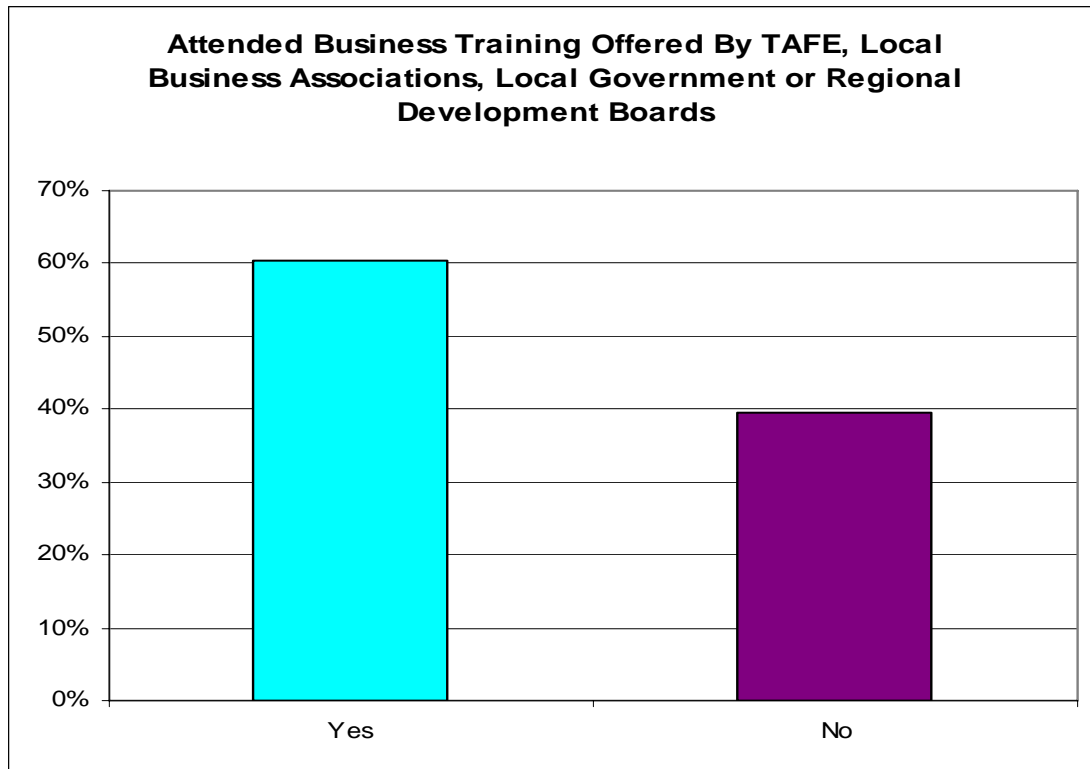
Yes	82%
No	18%



**Figure Two:** Question Three Response

4. Have you attended any of the business training offered by TAFE, local business associations, local government or Regional Development Boards?

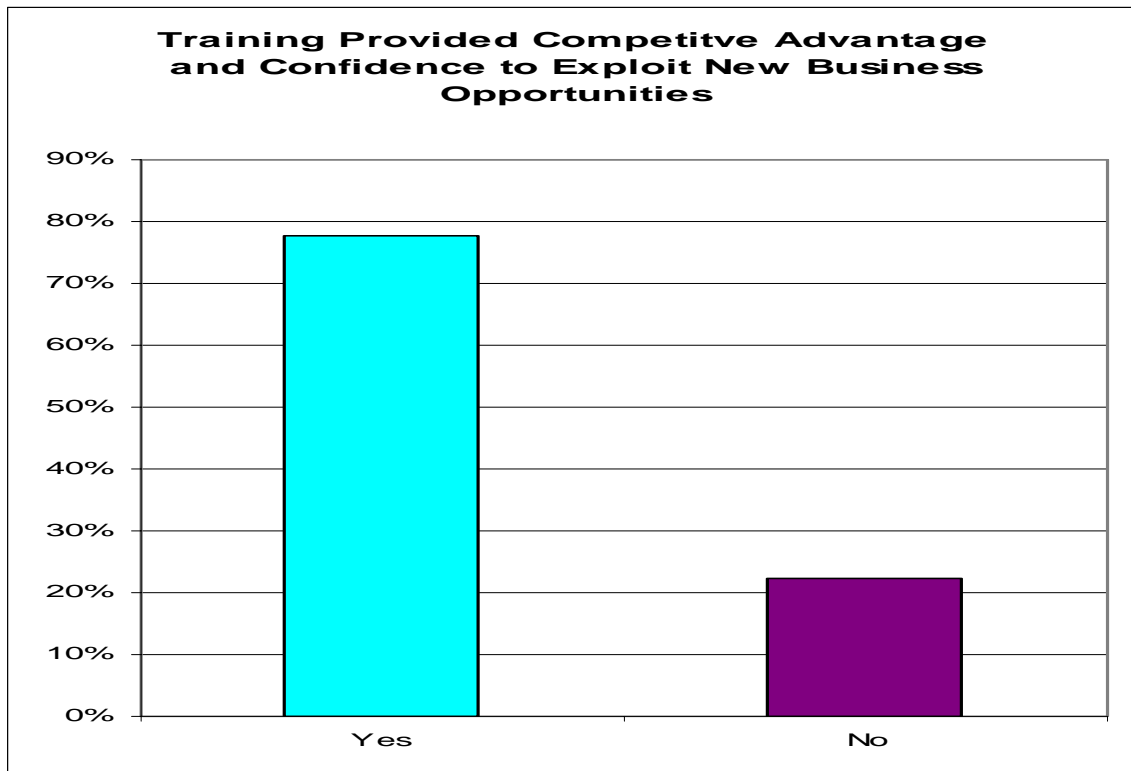
Yes	60%
No	40%



**Figure Three:** Question Four Response

5. If yes, do you feel the business training you have undertaken through these groups has provided you with a competitive advantage and confidence to exploit new business opportunities?

Yes	78%
No	22%

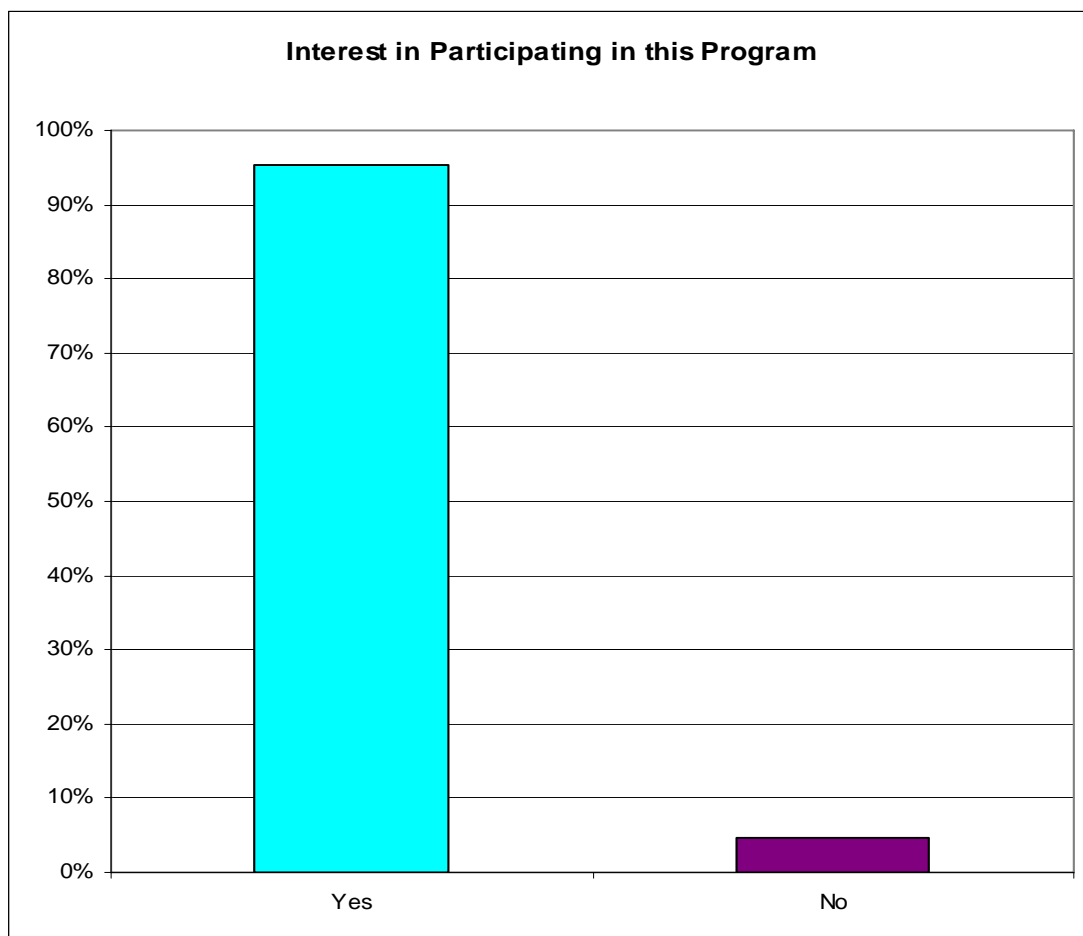


**Figure Four:** Question Five Response

6. Rural Directions Pty Ltd and the Mid North Regional Development Board are proposing to design and deliver a business development program that involves tailored small group training and one on one business support that meets the specific needs of young entrepreneurs in the Mid North. This would involve working closely with you to understand your specific business needs and designing a program that will help you achieve your goals.

In principle, would you be interested in participating in such a project as a way of developing your existing and future business opportunities.

If no, why not



**Figure Five:** Question Six Response

Why Not?

- ▶ Time away from farm is too great
- ▶ Very interested but time is a major factor

7. If yes, what characteristics would this training and mentoring project have to consider to be of value to you?

Responses received included:

- ▶ The time of the training would need to be an appropriate time of the year for my business
- ▶ Consider agricultural issues and use relevant examples
- ▶ Deliver something that contributes to the long term business goals of my business
- ▶ Improve sales and performance
- ▶ Relevant to my business
- ▶ Flexible content and timeframe
- ▶ Harness enthusiasm of young farmers
- ▶ Strong mentoring component
- ▶ Leverage investment in training into benefits
- ▶ Value for money

## Conclusion

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- ▶ 82% of respondents indicated they have identified future opportunities to expand, grow and develop new business
- ▶ 60% have attended business training in the past
- ▶ 78% believed that training they have attended has provided them with a competitive advantage and confidence to exploit new business opportunities
- ▶ 95% said they would be interested in participating “in-principle” in the proposed building entrepreneurship project
- ▶ Hot topics where greater than 75% of respondents indicated high business relevance and needed to be covered in the proposed project included information technology management, business compliance, leading and managing people, cashflow management, marketing, risk management, managing growth, business opportunity assessment, business operations management, project and time management and business strategic planning.
- ▶ Perceived business challenges included managing future growth, marketing and managing declining terms of trade.

The results of this survey have provided the Board with confidence to develop a full project submission.

We believe there is a niche that needs to be filled by this project.