

**An examination of the information  
behaviour of new entrepreneurs in the  
start-up phase of a business**

**by**

**Susan Elder Leslie**

Submitted to the School of Information Management, Victoria  
University of Wellington in partial fulfilment of the requirements for  
the degree of Master of Library and Information Studies

June 2009

# Acknowledgements

Many people have assisted me with this project, and I am grateful to all of them.

In particular I want to offer truly heartfelt thanks to the new entrepreneurs who generously gave their time to talk to me about their businesses, and to my friends and colleagues who helped me identify those entrepreneurs and make contact with them. Without either of these groups, the research would not have been possible.

Thank you to my supervisor, Brenda Chawner, for her guidance and support.

Thanks also to Heather Douglas of HomeBizBuzz who helped me recruit respondents, and shared her knowledge of the small business sector with me.

Many thanks to Lynley Stone, who has been supportive and helpful throughout my MLIS.

And finally, to Tony and Tom; thank you always for the love and support that you give me.

# Contents

<b>1.</b>	<b>Introduction .....</b>	<b>1</b>
1.1.	Setting up a business in New Zealand .....	2
1.2.	This research.....	3
1.3.	The research questions.....	5
<b>2.</b>	<b>The research context.....</b>	<b>6</b>
2.1.	Small businesses and information: a review of the literature.....	6
2.2.	Seeking a theoretical framework: a review of the information behaviour literature.....	9
2.2.1	<i>Explaining how “stuff” ends up becoming information .....</i>	<i>10</i>
2.2.2	<i>Language and meaning: conceptualising “information” .....</i>	<i>13</i>
2.2.3	<i>Information seeking or information behaviour? .....</i>	<i>13</i>
2.2.4	<i>Business and babies: a shared metaphor .....</i>	<i>14</i>
2.2.5	<i>Drawing the strands together - a model for the research .....</i>	<i>16</i>
<b>3.</b>	<b>Methodology .....</b>	<b>18</b>
3.1.	Research design .....	18
3.2.	Definitions.....	18
3.3.	Sampling.....	19
3.4.	Delimitations.....	21
3.5.	Limitations .....	22
3.6.	Human ethics approval.....	23
3.7.	Data collection .....	23
<b>4.</b>	<b>Data analysis.....</b>	<b>25</b>
4.1.	Content analysis: perceived ‘gaps’ and responses.....	26

4.1.1	<i>Research question 1: how new entrepreneurs talk about the information they need .....</i>	<i>26</i>
4.1.2	<i>Research question 2: how entrepreneurs know what information is available and what they need.....</i>	<i>27</i>
4.1.3	<i>Research question 3: creating cognitive authority.....</i>	<i>28</i>
<b>5.</b>	<b>Findings .....</b>	<b>29</b>
5.1.	The sample .....	29
5.1.1	<i>Gender.....</i>	<i>30</i>
5.1.2	<i>Age.....</i>	<i>30</i>
5.1.3	<i>Age of businesses.....</i>	<i>31</i>
5.1.4	<i>Type of businesses.....</i>	<i>31</i>
5.2.	Perceiving and describing “gaps” .....	32
5.3.	Addressing discontinuities .....	36
5.3.1	<i>Family and friends.....</i>	<i>37</i>
5.3.2	<i>Networking generally.....</i>	<i>38</i>
5.3.3	<i>Help online.....</i>	<i>38</i>
5.4.	Responding to perceived gaps: bridging, closing and avoiding.....	40
5.4.1	<i>Active information-seeking.....</i>	<i>40</i>
5.4.2	<i>Directed scanning and serendipitous encounters.....</i>	<i>41</i>
5.4.3	<i>Information by proxy?.....</i>	<i>43</i>
5.4.4	<i>Gaps that are not bridged: barriers to sense-making.....</i>	<i>44</i>
5.5.	Why this? How respondents create cognitive authority in language.....	45
<b>6.</b>	<b>Conclusions.....</b>	<b>51</b>
6.1.	The data.....	51
6.1.1	<i>About the discontinuities experienced.....</i>	<i>51</i>
6.1.2	<i>Responding to discontinuities.....</i>	<i>51</i>

6.1.3	<i>Cognitive authority</i> .....	52
6.2.	The methodology.....	52
6.2.1	<i>Theorising information behaviour</i> .....	54
6.6.2	<i>Becoming part of the respondent's information behaviour</i> .....	54
<b>7.</b>	<b>Recommendations</b> .....	<b>56</b>
7.1.	For future study.....	56
7.2.	For policy and programmes relating to the business information needs of new entrepreneurs.....	57

## Appendices

Appendix I:	Information sheet and consent form for respondents .....	60
Appendix II:	Pages from website .....	64
Appendix III:	Information for researcher's contacts .....	69
Appendix IV:	Announcement for <i>The Buzz</i> newsletter .....	72
Appendix V:	Interview schedule .....	74
Appendix VI:	Bibliography .....	76

## List of tables

Table 1:	Age of respondents .....	31
Table 2:	Age of business .....	31
Table 3:	Business type, compared to NZ business as a whole .....	31

## Abstract

This research set out to examine in detail how eight first-time entrepreneurs went about finding out what they felt they needed to know during the first months of their business's operation, and in particular how they constructed their problems or questions in discourse and how they went about addressing them.

Based on Brenda Dervin's Sense-Making methodology and work by Pamela McKenzie, the research involved semi-structured interviews in which participants were invited to recount specific instances of problems or questions they had experienced in their business. Data analysis involved close reading of both the interview transcripts and the researcher's notes and observations in order to draw out key themes and enable analysis of the discursive practices respondents used, particularly in privileging some information sources over others.

The research found that the respondents experienced questions and problems largely relating to a small number of business issues, principally around the mechanics of setting up a company, deciding what kinds of services to provide and learning about the market environment in which they were operating. Like other studies of the information behaviour of small business owners, the research found that all of the respondents reported acting on information obtained from friends, colleagues or family. Most had consulted professional advisors, and all but one talked of using the Internet as a source of information. Only one respondent had sought assistance from an enterprise agency.

The objectives of this research were twofold; to gather information about the actual behaviour of new entrepreneurs, and to test the potential usefulness of the sense-making methodology to an understanding of new business owners' information needs. Both of these objectives were largely met, with the research concluding that Sense-Making offers a valid and useful model with which to investigate the information behaviour of new entrepreneurs.

**Keywords:** Information behaviour; business; SME; business start-up; entrepreneur; Sense-Making; discourse analysis; cognitive authority; New Zealand

# 1. Introduction

According to Statistics New Zealand, 56,460 new business enterprises<sup>1</sup> were established in New Zealand in the year to February 2007<sup>2</sup> – 12 percent of the country's total (Statistics New Zealand, 2008b, p.1).

Virtually all new business start-ups are SMEs (small and medium sized enterprises)<sup>3</sup>, a category which accounts for 97.1 percent of all enterprise units in New Zealand (Ministry of Economic Development, 2008, p.7). This makes SMEs a significant sector of the economy – generating 38.6 percent of New Zealand's economic output (Ministry of Economic Development, 2008, p.15) and employing nearly 31 percent of the country's workforce (Ministry of Economic Development, 2008, p.10).

While the number of new businesses established varies year by year, the trend since 2002 has been for business births to exceed deaths, with almost 20,000 more new enterprises established in 2007 than in 2001 (Statistics New Zealand, 2008a, p.1).

Figures for the 2007-2008 year show a slight decrease in the growth rate of new enterprise births<sup>4</sup>, and given the current economic climate this trend may continue as some small businesses are forced to close. However, if larger companies look to cut costs by making some employees redundant, then the closure of some small businesses may be, in part, offset by the newly redundant seeking to establish their own businesses. Anecdotal evidence from one enterprise

---

<sup>1</sup> Statistics New Zealand data (2008b, p.13) is based on "enterprise units" which are determined from GST registration data, and therefore exclude some micro enterprises with turnover below the GST registration threshold of \$40,000 per annum. Thus, it is likely that an even greater number of new businesses are born than are recorded in these statistics.

<sup>2</sup> The latest year for which Statistics New Zealand data is available.

<sup>3</sup> The Ministry of Economic Development (2008) defines SMEs as having fewer than 20 employees.

<sup>4</sup> In the year to February 2008, the enterprise birth rate was around 12 percent while the death rate was around 11 percent. This compares with 2005, where the birth rate was 15 percent and the death rate 10.5.

agency in Auckland suggests this may in fact be the case; with a noticeable increase in the numbers of recently redundant individuals attending business start-up courses.<sup>5</sup>

The vast majority (98 percent) of both business births and business deaths are amongst enterprises employing five or fewer people (Ministry of Economic Development, 2008, p.21), which is not surprising as ninety nine percent of new businesses<sup>6</sup> in New Zealand have fewer than twenty employees, and 86 percent do not employ at all (Ministry of Economic Development, 2008, p.22).

Longitudinal data from Statistics New Zealand (2008b, pp.6-7) shows that of the 42,760 new business enterprises established in 2001, only 37 percent were still operating in 2008. In the case of non-employing enterprises, only 33 percent survived the seven years, compared to 53 percent of those with six or more employees (Statistics New Zealand, 2008b, p.10). Thus, it appears that the turnover of businesses is greater amongst what might be called micro-enterprises.<sup>7</sup>

### **1.1. Setting up a business in New Zealand**

The World Bank has ranked New Zealand first amongst the 181 countries it monitors in terms of the ease with which a new business can be established. There is only one procedure involved in forming a company in New Zealand, compared to three in Australia, six in the United States and eight in the United Kingdom (World Bank, 2009, p.9).

It should also be noted that as businesses in New Zealand can operate under one of several enterprise structures (including sole trader or partnership) it is possible

---

<sup>5</sup> Personal communication with the author. April 3, 2009.

<sup>6</sup> Those in the first year of operation.

<sup>7</sup> The Centre for SME Research at Massey University defines micro-enterprises as those employing fewer than 6 full-time equivalent employees. (NZ Centre for SME Research, n.d. Welcome section).



to trade without even forming a company. Thus going into business in New Zealand is, administratively, extremely easy.

One consequence of this is that businesses can begin trading with virtually no contact with official agencies. Thus, new entrepreneurs are left to their own devices to establish what information they require, and how to find it. Indeed the Government's Small Business Advisory Group (SBAG) has noted:

Many people enter business without a good understanding of what will be required of them, or of the support that is available for business start-up through government and other agencies. ... People can operate in business for up to a year before tax and other government commitments catch up with them. During this time, they have developed liabilities with other businesses and with government. If their business fails, it has an impact on other businesses and the wider community (Small Business Advisory Group, 2008, p.3).

## **1.2. This research**

It would appear that a significant number of new businesses are established in New Zealand each year. Collectively, they can contribute appreciably to New Zealand's economic development and it is therefore important that they succeed.

In common with other countries, the New Zealand government provides assistance and information services to businesses – often targeted specifically at new and small enterprises. In New Zealand, economic and business development initiatives are funded and administered by the Ministry of Economic Development, through New Zealand Trade and Enterprise (NZTE). Wide-ranging information and assistance is provided through the [business.govt.nz](http://business.govt.nz) website, a freephone service, and by the network of regional and local economic development agencies.

Research internationally has quite consistently shown that such services are not well used (see Bouthillier, 2002/3; Chalmers, 1995; Chiware & Dick, 2008; Ikoja-Odonga & Ocholla, 2004; Johannessen & Kolvereid, 1994; Jorosi, 2006; Mooko & Aina, 2007; Rickards, Linn & Best, 1989; Shokane, 2002), a point

made in the New Zealand context by both the SBAG report (Support for Business Start-up section) and research from the New Zealand Centre for SME Research (Lewis, Ashby, Coetzer, Harris & Massey, 2005).

Given the relative ease with which new businesses can be established, the research findings and the concerns by SBAG noted above, the question of how new business owners respond to the questions and issues that arise in the establishment and running of their business is an important one that needs to be addressed in research.

The studies cited above are part of a wider, though still small, literature which has investigated the information seeking behaviour of small business owners. While these studies have examined entrepreneurs' need for, and use of, various sources of information, they have not really addressed the question of how small business owners themselves determine and articulate what information they need in order to establish and run their business, nor why they seem to prefer personal, informal sources over formal and official ones. It would seem then, that there is scope for such a study.

The research described in this report examined the information behaviour<sup>8</sup> of a group of new entrepreneurs, in order to gain some understanding of how those individuals conceptualised their information needs and went about meeting them. Of particular interest were the processes through which some sources of information were selected and privileged over others.

This project had two main objectives. The first was to contribute to the research literature on the information behaviour of small businesses, particularly in terms of developing methodological approaches to understanding how entrepreneurs actually think about and articulate their information needs, and why they privilege certain sources over others.

---

<sup>8</sup> A concept broader than information-seeking, and which is explained further in Section 2.2.3

Secondly, for the agencies charged with assisting new entrepreneurs, it is hoped that this study – and others which might further develop the methodology – will provide insight into the behaviour of a segment of their client base, which can perhaps be used to help modify or develop services that will meet the needs of those clients.

### **1.3. The research questions**

This project addressed three linked research questions.

- How do new entrepreneurs determine and categorise the kinds of assistance or information they need?
- How do they know what sources of assistance or information are available and what is appropriate to their needs?
- How do they evaluate sources and come to privilege some over others?

## 2. The research context

### 2.1. Small businesses and information: a review of the literature

Despite the obvious importance of SMEs to national and local economies, a literature search identified only a relatively small body of research on the information needs and information-seeking behaviour of small business owners. Only one study (Johannessen & Kolvereid, 1994) was found which focused specifically on the start-up phase of a new business – a time when it could be expected that individuals would have significant information needs.

Very little research appears to have been carried out in the last ten years, and much of what has been done originates from sub-Saharan Africa (Chiwere & Dick, 2008; Ikoja-Odonga & Ocholla, 2004; Jorosi, 2006; Mooko & Aina, 2007; Shokane, 2002).

Research in developed countries, such as Australia (Rickards, et al, 1989), Norway (Johannessen & Kolvereid, 1994) and New Zealand, (Chalmers, 1995) was principally carried out prior to 2000. The exceptions to this are a Canadian study (Bouthillier, 2002/3) which investigated the information needs of small business managers in Quebec, and work in New Zealand by Wallbutton (2004) who investigated businesses' use of public libraries in Taranaki, and Lewis et al (2005) which focused on the wider notion of sources of assistance sought by small business owners.

Several studies, including Bouthillier (2002/03), Chalmers (1995), Rickards, et. al. (1989), and Wallbutton (2004) were carried out, at least in part, to assist libraries develop business information services, and therefore had quite a strong focus on information as library materials.

Most of the research has been carried out largely within an implicit positivist framework; conceptualising information as “external” and objective – a strategic resource (Johannessen & Kolvereid, 1994; Jorosi, 2006; Shokane, 2002). A consequence of this has been the prevalence of survey methodologies in this

work. For example, Chiware and Dick (2008), Johannessen and Kolvereid (1994), Jorosi (2006), Mooko and Aina (2007), Rickards et al (1989), and Shokane (2002) used self-administered questionnaires sent to population samples of various sizes, while Bouthillier (2002/03), Ikoja-Odongo and Ocholla (2004) and Lewis et al (2005) employed structured interviews with respondents. In most of these studies, the questionnaires or interview schedules offered pre-defined categories of information and information sources from which business owners could select their responses. This research collected largely quantitative data, which was analysed to produce descriptive statistics about the businesses themselves and the extent to which owners' utilised the researchers' chosen categories of information and information sources.

The most theoretically and methodologically sophisticated studies identified were those carried out by Bouthillier (2003/04) and Ikoja-Odongo and Ocholla (2004).

Bouthillier's study aimed to determine the information needs of small business managers in Québec, in order to enable local libraries to develop appropriate services for such businesses. The study focused on business managers from the aerospace, information technology and biopharmaceuticals industries – chosen because they could be said to be in the “knowledge industry” and were assumed to have quite sophisticated information requirements. Drawing her conclusions from a sample of eleven respondents, she found that managers had little in common with each other in terms of their information behaviour; with no apparent relationships between the managers' behaviour and organisational characteristics, or their age, education and experience. She concluded that the particular *habitus*<sup>9</sup> developed by the individuals influenced their attitudes to

---

<sup>9</sup> Bourdieu has defined habitus “as a system of durable and transposable dispositions (schemes of perception, appreciation and action), produced by particular social environments, which functions as the principle of the generation and structuring of practices and representations” Bourdieu (1988, p.786). As such, habitus provides a means of theorising the connections between individual behaviour and social structure, or as Noble and Watkins (2003, p.520-521) suggest, “It is a useful tool for thinking, on the one hand, how social relations are internalized and experienced as ‘natural’, and how social position is expressed through our accumulated cultural capital. On the other hand, Bourdieu posits a mechanism through which the

information (p.19); though with such a small sample, it is likely that any generalisations would be problematic.

Ikoja-Odongo and Ocholla used interviews with 600 small business entrepreneurs and a smaller number of other informants in Uganda to investigate the kinds of information the entrepreneurs sought, the methods used to seek information and the sources, channels and information systems they employed. Like other researchers they found that entrepreneurs tend to prefer information from informal, personal sources over formal sources. However, they also point to relatively low literacy levels amongst their respondents strongly influencing their choice of information sources; a factor that needs to be taken into account when considering the research literature from Africa.

Despite being carried out at different times and in different parts of the world, research into small businesses information needs has consistently found that owners of small and medium enterprises seem to prefer personal, often informal, sources of information over impersonal and official sources such as government agencies.

Lewis et al found that the agencies charged with specific responsibility for providing business information and assistance in New Zealand were the sources least often mentioned by respondents – who also ranked them lowly in terms of usefulness (2005, pp.10-11).

While Lewis et al's work focused on the concept of 'assistance' rather than 'information', it is still considered useful to this research, which proceeds from the view expressed by Dervin (1992, p.65) that people do not necessarily define their needs as 'information needs.'

---

principles of social organization are embodied such that humans are capable of spontaneously generating an infinite array of appropriate actions."

As noted above, much of the research examined was characterised by a relative lack of an explicit theoretical perspective, though most of the studies operated from (an at least implicit) positivist or post-positivist paradigm. By focusing on the researchers' conceptualisations of what constitutes information and information sources, and using survey methodology to investigate the extent to which the researchers' information categories are utilised by respondents, these studies have not really examined respondents' own notions of what constitutes information, or information sources, nor why some sources are privileged over others.

This last point is believed to be particularly important in the case of new entrepreneurs. With the exception of Johannessen and Kolvereid (1994), all of the research identified had focused on existing businesses, and while owners of established businesses may share researchers' conceptualisations of information and sources, based on a common domain language of "business", there is no reason to assume new entrepreneurs share this also. It is possible that for many first time entrepreneurs, establishing a business may involve information needs they barely know they have, and may not be able to articulate.

Indeed a fundamental assumption of this study is that as we do not know how new entrepreneurs think about and articulate their needs, research should adopt theoretical and methodological frameworks which privilege the conceptualisations of respondents themselves.

## **2.2. Seeking a theoretical framework: a review of the information behaviour literature**

It would appear that having examined the, albeit, small literature on information behaviour of SME owners, much of it is of limited value to the current research. For that reason, the wider literature relating to information behaviour and practices has been investigated for theoretical, methodological and conceptual inspiration in an attempt to understand how, as Solomon (2006, p.230) puts it, "... to consider what information is to people, how stuff ends up becoming information, and how information so discovered influences further action."

Studies of user need and information seeking behaviour have a long history, characterised by a gradual shift in emphasis from information sources to information users (Case, 2007, p.238); and from information-seeking to the wider concept of information behaviour (Godbold, 2006).

At the same time there has been a movement away from research based on largely positivist theoretical formulations and methodological approaches (Dalrymple, 2001. p.160), to work informed by a range of perspectives including “symbolic interaction, pragmatic systems theory, qualitative studies, cultural studies, hermeneutics, political economy, phenomenology, constructivism, interpretive anthropology, situationalism and postmodernism” (Dervin, 1997, p.15, cited in Case 2007, p.142).

Talja, Tuominen and Savolainen (2005, p.79) suggest that constructivist, collectivist (or social constructivism) and constructionist perspectives currently dominate information research. Talja et al (2005) summaries the differences between these perspectives thus: constructivism emphasizes the individual's cognitive viewpoint, collectivism the combined socio-cognitive viewpoint and constructionist approaches see knowledge as produced within discourse.

This distinction is a useful one to note because much of the literature considered below explicitly operates from one or other of these perspectives.

### *2.2.1 Explaining how “stuff” ends up becoming information*

Chatman (1996, p.193 cited in Case, 2007, p.148) has argued that information behaviour research lacks a “central theory or body of theories we can view as ‘middle range’ ... it would appear we are currently focused on the application of conceptual frameworks rather than on the generation of specific theories”.

Brenda Dervin’s influential concept of ‘Sense-Making’ is one of those frameworks.

Dervin has argued (1992, p.63) that information should not be seen as “something that exists apart from human behavioural activity” but as something which is constructed internally and individually to address ‘discontinuities’ or



‘gaps’ people perceive themselves as experiencing. Godbold (2006, Dervin and sense-making) ) says “In Dervin's description of sense-making, when one encounters a gap between one's understanding of the world and one's experience of the world, then the sense-making momentum is stopped.”

As a project, Sense-Making aims to understand the processes by which humans take in external information and organise it within their own internal collection in order to make sense of the world (Dervin, 1976, p.325-26). Central to this is the notion that:

... human use of information needs to be studied from the perspective of the actor, not from the perspective of an observer. Almost all our current research applies an observer perspective. We ask users questions which start from our worlds, not theirs. (Dervin, 1992, p.64)

Dervin has said that Sense-Making is both metatheory and methodology. (1999, p.728) Methodologically, it involves gathering and analysing detailed qualitative data from what she calls the ‘micro-moment-time-line-interview’ – where respondents reconstruct in detail a situation in which they experienced a ‘gap’ – in order to understand the processes involved in identifying the gap, what blocked or bridged it and the kinds of help needed to bridge it.

It should be noted however, that in the Sense-Making model, Dervin recognises that individuals cannot always ‘bridge the gaps’ they experience, and may adopt other strategies, for example ‘close the gap’ by “changing 'external reality' until it more closely fits their views” (Godbold, 2006, A wider view of information behaviour), or by ignoring it, which can occur if individuals do not perceive any means of bridging the gap, or are content not to make sense of the situation.

Recent work which has drawn on Sense-Making to examine the information behaviours of different groups includes Cheuk (1998 & 2008) and Odhiambo, Harrison and Hepworth (2003).

Odhiambo, et al (2003) investigated the information needs of informal carers in a provincial city in England, while Cheuk has examined the information

practices of auditors and engineers beginning a new assignment (1998) and of managers within the Scottish public service (2008) as part of a project to develop knowledge management strategies for the organisation.

While Sense-Making is widely cited and used by researchers, there has been criticism that it has focused too much on the individual and not enough on the social structure within which individuals operate (Talja, et. al. 2005).

Dalrymple (2001, p.160) suggests that this is because the philosophical foundations of Dervin's work rest on constructivist assumptions. Dervin herself has rejected the idea that Sense-Making is constructivist, arguing that her thinking has evolved to become 'post-constructivist, or post-modern modernist' (1999, p.730). She acknowledges the intellectual influence of a number of thinkers whose work informs both collectivist and constructionist theoretical perspectives. These include Bourdieu, Foucault, Bruner and Habermas. (1999, p.729 [Notes]).

In practice, Dervin's theoretical shift, or evolution, provides a means through which Sense-Making can take into account both the relationship between human agency and social structure, and the ways in which language itself shapes meaning.

This addresses both the criticism of Sense-Making as divorcing an individual's behaviour from the social structure in which he or she operates (Dalrymple, 2001, p.160-161), and criticism of constructivism generally is that it treats language as "a neutral instrument for reporting observations" (Tuominen, Talja & Savolainen, 2002, quoted in McKenzie, 2003b, p.262).

As noted above, one of the underlying assumptions of the proposed research is that new entrepreneurs do not necessarily possess a domain language of "business" with which to think about and articulate their information needs. Indeed it is considered here problematic to assume that individuals necessarily share common conceptions of what constitutes "information." Such a view brings the issue of language to the centre of the research.

### *2.2.2 Language and meaning: conceptualising “information”*

As noted above, one criticism of much of the research into the information behaviour of SME managers is that it has been reliant on survey methodology, and in particular, close-ended, self administered questionnaires which serve to impose the researcher’s categories of meaning onto respondents.

Johannessen and Kolvereid (1994) for example, used five pre-determined information ‘sources’ as their analysis variables and tested these against their chosen dependent variables – a series of demographic, experiential, psychographic, venture, and social attribute characteristics. While this study can be criticised for not attempting to understand the meanings respondents put on their behaviour, it should be noted that the authors were operating from a business management, rather than an information science perspective.

Dervin has argued (1992, p.64) against using the term ‘information’ with research subjects when attempting to investigate their information needs, suggesting that even if individuals are aware of their needs, they might not necessarily see them as ‘information’ problems. She has also noted (1992, p 64):

When one presents users with a long list of services and has them check off which ones they want, one has constructed a world for the users.

In order to avoid constructing such a world, it is vital to utilise both theoretical and methodological tools which allow respondents’ own meanings and constructions to take centre stage.

### *2.2.3 Information seeking or information behaviour?*

Just as the history of user studies has moved from a focus on materials to a focus on users, emphasis has also shifted from information-seeking to the wider concept of information behaviour.

This changed terminology acknowledges that humans can interact with information in ways that extend beyond actively seeking and using it. Tom Wilson, one of the leading theorists of information behaviour has defined

information behaviour as “the totality of human behaviour in relation to sources and channels, including both active and passive information seeking, and information used” (Savoleinen, 2008, p.44). Savoleinen goes on to note that this can include “the passive reception of information, without any intention to act on (it)” (2008, p.44).

Building on the work of both Wilson and Dervin, Godbold (2006 - Conclusion) also suggests that the sense-making processes and strategies individuals engage in entail modes of information behaviour that go beyond information seeking alone. While actively searching for information is part of the universe of information behaviours people engage in, other elements include routine information gathering, picking up information by chance in the course of other activities, sharing or spreading information, creating information, telling other people, taking mental note, avoiding or ignoring information, disputing or disbelieving information and hiding and/or destroying information (2006 - A wider view of information behaviour).

#### ***2.2.4 Business and babies: a shared metaphor***

If, as suggested above, research into the information seeking behaviour of small business owners is of limited theoretical and methodological value for the project discussed here, and we must look instead to the wider information behaviour literature, then the work of Pamela McKenzie (2003a, 2003b) has particular resonance with the current research.

This work has focused on what could be seen as an analogous situation to starting a business – being pregnant. In this shared gestational metaphor, individuals find themselves in a new situation where there is a strong need to become informed about their situation, but without necessarily having a domain language in which to express their information needs.

In her study of 19 women pregnant with twins, McKenzie (2003a; 2003b) took a constructionist approach; seeking to identify the modes of information behaviour employed by her respondents, and using discourse analysis to examine

the discursive strategies they employed to create descriptions of cognitive authority (McKenzie, 2003b, p.262).

The study, which involved semi structured interviews and diary/interviews, sought to expose the wide range of information behaviours that form part of individuals' everyday life. The model she developed suggests four 'modes' of information practice, from the most purposeful and systematic – active seeking of information – through active scanning, which may involve browsing in likely locations and opportune questioning; non-directed scanning, or serendipitous encounters with information, and finally obtaining information by proxy – where unsolicited information is offered by friends, family and others (McKenzie, 2003a, pp32-35).

McKenzie also examined how respondents appeared to privilege particular sources of information by constructing cognitive authority in their discursive practices (McKenzie, 2003b, p.262). The notion of cognitive authority is considered particularly useful, given the finding that business people seem to prefer informal, personal to “official” sources – even though the latter might be thought to be more accurate and credible.

McKenzie argues for viewing the construction of cognitive authority through a constructionist lens, that is considering how individuals use language to create – rather than just communicate – their decisions about, and justifications of, the information and sources they regard as authoritative.

She notes (2003b) that there are several distinct forms of discourse analysis. Although these share a focus on “the study of language in use” (p.268), they vary in the research questions they can ask. She argues that her own work falls within a social psychology framework which focuses on individual sense-making; on the “ways people assemble their versions of the world and on the consequences of the descriptions they assemble” (p.269), and suggests this framework is ideal for studying cognitive authority from a constructionist perspective (p.269).

McKenzie describes the process of analysing discursive language as involving

... close attention to the details of language use by examining transcripts or written notes rather than numerical summaries or remembered notes of interactions; focusing on the discourse itself as the primary object of research rather than as a transparent medium revealing the true nature of an individual's attitudes and beliefs, or the true nature of events; and making a close study of variations in the ways discourse is constructed, both within and across accounts, in order to derive some understanding of the functions that discourse might be serving and the specific discursive components used to construct the versions (2003b, p.269).

#### *2.2.5 Drawing the strands together - a model for the research*

This section examined research on the information needs and information seeking behaviour of small business owners, and concluded that such research, operating from a largely positivist, or post-positivist framework did not adequately theorise how business owners themselves conceptualised information. Thus the wider literature relating to information behaviour was examined for theoretical and methodological inspiration.

This was found in the Sense-Making work of Brenda Dervin, which provides both theoretical and methodological tools for conceptualising the research problem. Sense-making has been widely used to examine the information behaviour of other social groups, and is believed to be useful for the present research.

It was also felt important to acknowledge that information behaviour encompasses more than the process of actively seeking information, and a fuller understanding of respondents' behaviour would come from a research design that takes account of this. Thus Godbold's 2006 model, which builds on the work of Dervin and Wilson, is also considered valuable.

The work of Pamela McKenzie was also examined and found to be a useful research model, both because of the analogous situations between pregnant women and new business owners, and because her work is informed by a

constructionist approach to examining the ways cognitive authority is created through language – an issue central to this research.

The next section outlines how the theoretical and methodological inspirations discussed above will be employed in practice in this research.

### 3. Methodology

This section considers the overall research design, defines key terms, outlines the parameters and limitations of the project, explains the sampling procedure and discusses the research instruments.

#### 3.1. Research design

Methodologically, sense-making research involves carrying out detailed, semi-structured interviews with small numbers of individuals belonging to the research target group. These individuals are asked to recount specific situations they have experienced.

Data thus gathered is analysed to discover the issues that concerned respondents, how they address these issues, what helped or hindered them, and the ways they incorporated information received into their lives.

The present research involved semi-structured interviews with eight new entrepreneurs, which explored the kinds of discontinuities these new business owners experienced in their understanding of their business, and how they responded to these. Data was coded according to themes that emerged from the transcribed interviews, and the discursive practices of the respondents were examined to try and uncover the ways respondents attributed cognitive authority to different information sources.

#### 3.2. Definitions

The key research terms are:

***New entrepreneur:*** as the unit of analysis, it is important to define what is meant by new entrepreneur. As noted previously, in New Zealand, businesses can trade under one of several structures. For this reason, determining what constitutes a business can be problematic. Statistics New Zealand defines a business unit in terms of GST registration (Statistics New Zealand, 2008, p.13), but as this is



based, at least in part, on turnover, it is not appropriate for a study of businesses in the gestation or start-up phase.

Van Geldern, Patel and Fiet (2007, p.3-4) describe the business gestation process as consisting of three main phases; potential entrepreneurship – where there is the “development of an intention to start an enterprise”, nascent entrepreneurship – which is “considered the active pursuit of organization creation”, and starting entrepreneurship – where “the organisation is perceived by its owner(s) to be up and running.” In each of these cases, the entrepreneur’s own definition of what they are doing is central.

This study proposes to use Van Geldern et al’s distinctions – focusing only on nascent and starting entrepreneurs as these groups are assumed to have devoted the most time and consideration to their business information needs.

***Information:*** as with ‘entrepreneur’, ‘information’ is a central concept in the proposed research. Given Dervin’s (1992, p.64-65) argument about the need to consider the concept from the respondents’, rather than the researchers’ point of view, interview questions were framed in such a way that respondents were invited to talk about ‘situations’ and ‘events’ they had experienced, or ‘problems’ and ‘questions’ they had experienced. The researcher did not use the term information in the explanatory literature given to respondents; nor did she use the term in the interviews.

### 3.3. Sampling

This study was based on a convenience sample of new entrepreneurs known to the researcher or members of her social and professional networks. Convenience sampling was used for a number of related reasons.

First of all, there is no national list of new entrepreneurs from which a random sample could be drawn. Searching the Companies Office Register for companies with a 2008 or 2009 incorporation date would not only be extremely time-consuming but the resulting list would also include many companies that are not

first-time start-up businesses. Conversely, as noted in Section 1 above, it is possible to trade without forming a company, so such a method would not have identified sole traders or partnerships. Similarly, approaching enterprise agencies or other organisations involved in providing services to new businesses with a request for assistance would have introduced an additional group of people and procedures into the recruitment process, which would in all likelihood have added to time pressures and not necessarily have resulted in a positive outcome<sup>10</sup>. In addition, this approach would have biased the sample in favour of those using such services which, as noted in Sections 1.2 and 2.1 above, does not seem to be a preference of many small businesses.

Secondly, as it was not possible to identify the demographic characteristics of new entrepreneurs in New Zealand, these could not be used to establish an a priori sampling frame. Additionally, Dervin (1992, p.65) has argued that demographic factors have limited explanatory value in information behaviour research.

Finally, because the research was an exploratory, qualitative study requiring only a small number of participants, and interested as much in testing a methodology as examining behaviour, it was felt that a convenience sample would prove adequate.

To obtain the sample the researcher relied on viral marketing techniques (Leskovec, Adamic & Huberman, 2007, p.1), approaching her network of contacts and asking them if they knew of anyone who fitted the study criteria and might be interested in taking part. In addition, several new entrepreneurs were already known to the researcher.

---

<sup>10</sup> Informal conversations with two contacts within Auckland enterprise agencies indicated that these agencies would be unlikely to provide a conduit for recruitment, as this would potentially breach clients' privacy and confidentiality.

Members of this latter group were approached directly and asked if they would participate. Those who indicated an initial interest were given a copy of the Information Sheet and Consent Form (attached as Appendix I) and also directed to the researcher's website, which outlined the project and gave background information about the researcher (web pages attached as Appendix II).

Telephone or email contact was made with individuals in the researcher's networks, outlining the research and asking the contact whether they knew of anyone who might be a suitable respondent. A copy of the information sent to contacts is attached as Appendix III; they were also given the URL of the researcher's website.

Where contacts were aware of a potential respondent, they were asked to get in touch with that person and find out if they would be willing to take part. The information sheet for respondents and a copy of the consent form were also sent to the researcher's contacts for them to forward to potential respondents.

In addition, the Home Business Network carried a short announcement about the research (see Appendix IV) in their newsletter, *The Buzz*. This included a link to the researcher's website.

### **3.4. Delimitations**

This study is delimited in the following ways:

By age of business: only those businesses which were in the process of being set up or had been in operation (according to their owners) for less than 10 months were included in the study.

By experience of entrepreneur: only those who had not previously owned businesses were included.

By geographical location: this was not an intentional delimitation, but because of the sampling procedures and relatively short time-frame of the study, all of the

respondents' businesses were located within the northern part of the Auckland region; specifically North Shore City and Rodney County.

### 3.5. Limitations

The principal limitation of the study is the very small convenience sample; eight respondents from seven different new businesses.

As the researcher was unsure whether she would obtain a large enough sample for the study in the time available, respondents were accepted on something of a "first come, first served basis" which meant that there was only a limited attempt to pre-select respondents by gender, age, and business type or situation. However, as noted above, the research did not set out to make generalisations about entrepreneurs' behaviour, and did not begin from any particular assumptions about what personal or social factors might influence information behaviour, so this is not really felt to be a problem.

Finally, as with any study requiring voluntary participation of respondents, data may be affected by the reasons people have for taking part. In this study, respondents were either known to the researcher or to members of her personal and professional networks and were specifically asked whether they would be interested in taking part. Such an approach is quite 'personal', and consequently may be rather difficult to refuse. This may explain why, to the best of the researcher's knowledge, no-one actually said 'no'. The strongest form of rejection seems to have been not responding to emailed requests soliciting participation.<sup>11</sup>

Supporting this conclusion, it should be noted that an announcement in *The Buzz* generated only one response – from someone who did not fit the criteria of the study.

---

<sup>11</sup> Three emailed requests were ignored; one from the researcher and one each from two of her contacts. These were taken to be a 'no' to participation, and no attempts were made to follow them up.

Thus, it would seem that a major reason for participants agreeing to take part was the fact that they were specifically asked to by someone they knew.

It is likely also that at least some of the respondents were interested in the topic; two in fact commented to the researcher that they thought it would be useful to talk about their business, to clarify their own thinking. In this way, the research may itself have become part of the respondent's information behaviour, a point picked up later in the report.

### **3.6. Human ethics approval**

Approval from the School of Information Management Human Ethics Committee was sought and obtained for the interview schedule (Appendix V) and the items of communication with potential and actual respondents, and with the researcher's personal network (mentioned above) through which respondents were recruited. As noted, these are attached as Appendices I-IV.

### **3.7. Data collection**

Following Dervin, Cheuk, McKenzie and Ohdiambo et al, data on new entrepreneurs was collected through individual, face-to-face, largely unstructured interviews. These were recorded on a digital voice recorder and transcribed by the researcher. Interviewees were sent a copy of their transcript and invited to comment on it and add any additional information they wished to.

All but two of the respondents actively confirmed their agreement with the content of their transcript. As the researcher had indicated in the letter which accompanied the transcript that if participants did not respond by a specific date, she would assume they did not wish to add to or change any of the material, their data was included in the research.

While the actual wording of questions varied in response to respondents' initial recounts of the situations or question that had been important to them, the key issues covered by the interviewer's questioning were:

- the kinds of questions respondents had about how to go into business
- where they sought answers to those questions
- what problems they had in seeking answers
- what helped them to find answers
- whether the answers they obtained were helpful to them
- why they sought answers where they did
- whether they received unsolicited information, and the extent to which this was helpful.

As the research was founded on the principle of allowing respondents to articulate the issues that were important to them, no questions were included which addressed perceived information needs or sources not mentioned by respondents. Thus, for example, if respondents did not mention enterprise agencies or libraries, the researcher did not ask about those sources.

In addition to the data collected by the voice recorder, the researcher made notes about her observations of the process and progress of each interview.

## 4. Data analysis

Interviews lasted between 35 - 90 minutes. All but two took place in the respondent's home – which in each case was also their workplace. One interview was held at the researcher's home and one at a local café. In each case this was at the interviewee's suggestion, and care was taken by the researcher to ensure as much privacy for respondents as possible, including meeting in a relatively quiet café during a 'slow' time of day. In both cases, respondents stated they were comfortable with the setting.

One interview was held with two respondents simultaneously; these were partners in the same business. This interview was particularly interesting as it offered insights into the differing perspective each participant brought to their questions and problems. It also highlighted the way information behaviour can be a 'work in progress' – a point taken up in Section 5.3.

As noted above, at the end of each interview, the researcher also recorded her own observations and impressions of the interview. Data from these notes has also been analysed and included where it seemed useful, principally to the researcher's understanding of the methodology itself and also where it illustrated specific points that respondents made.

Three respondents were contacted by the researcher after the initial interview in order to seek clarification about specific issues; conversations were held with two, while the third responded by email. In addition, one respondent spontaneously contacted the researcher several weeks after the initial interview to discuss further an issue that had been raised in the interview.

Because the interviews were largely unstructured and driven by the respondent's recount of their specific experiences, the questions asked of each respondent varied. In several cases, very few questions were asked as the respondent's narrative was very comprehensive.

It is worth noting at this point two observations the researcher made over the course of the interviews. The first is that once respondents had thought of a question or situation they wanted to recount, they usually engaged in quite a detailed narrative about it. This did not entirely fit with the researcher's expectations of how the interviews would proceed, which was expected to be more along the lines of a short description, followed by interviewer questioning. However, as the respondents' narratives were so rich in detail, and a fundamental principle of the research was the importance of the respondents' authentic voices, it was decided not to interrupt recounts, but to return to particular points to pick up details.

The second observation made was that few of the respondents delivered a 'linear' narrative about a single situation or question. In the course of their recounts, several mentioned other questions or problems they had experienced.

In addition to the content analysis performed on the data (relating particularly to research questions one and two), discourse analysis was carried out specifically to consider how cognitive authority was constructed and assigned by respondents in their narratives (research question three).

#### **4.1. Content analysis: perceived 'gaps' and responses**

##### ***4.1.1 Research question 1: how new entrepreneurs talk about the information they need***

The starting point for this was the interviewer's opening request:

I'm going to ask you to think about a specific situation you've experienced since you began the process of setting up the business, where you have had a question or problem relating to the business. I'd like you to describe that to me, and then I'd like to ask you some questions about it.

Questions, issues and problems were identified in the transcripts through such statements as "well one problem was ...", "... has been an issue", "I had to find out about ..." or "I needed to do ...". These statements were drawn out and categorised according to the aspects of the business to which they related.



#### *4.1.2 Research question 2: how entrepreneurs know what information is available and what they need*

In terms of the interview schedule, this related to questions around:

- where they sought answers to their questions
- what problems they had in seeking answers
- what helped them to find answers
- whether the answers they obtained helped them move forward, or 'bridge the gap'

The researcher coded different sources of information respondents mentioned as having been available to them in each situation. In many cases, when respondents were recounting their experiences, they mentioned how they tackled questions without prompting from the interviewer. In these cases the researcher also asked questions such as "did you do anything else", "who else did you talk to?" "Were there any other places you tried to get help? Other people or, resources you turned to?"

Where respondents didn't initially volunteer information the researcher sought it with questions such as: "how did you deal with that issue?" or "Can you remember the process you went through in dealing with this issue? What did you actually do; what steps did you take?"

Once again, sources of information were drawn out of the transcripts through analysis of statements such as "I went to ...", "I asked ...", "... told me", "I had to ..."

Helps, barriers and the value of information were drawn out for coding through examination of statements such as "... And I got fobbed from one person to the next", "They were bloody hopeless ...", "so I think ... was really good", and "been worth its weight in gold."

#### ***4.1.3 Research question 3: creating cognitive authority***

Unlike other areas of the data analysis, where respondents' answers are largely taken at face value, cognitive authority was investigated through an examination of the respondents' discursive practices. This involved close analysis of the language used in the construction of the speaker's reality, looking for phrases which suggested underlying beliefs and attitudes about the value respondents placed on particular information and sources.

## 5. Findings

### 5.1. The sample

In total 20 potential respondents were either known to the researcher or suggested by friends and colleagues; of these eight were interviewed. Of the remaining 12, three did not respond to emailed requests; five did not meet the research criteria<sup>12</sup> and four were unable to meet with the interviewer within the time-frame available.

Three of the respondents were known to the researcher, who contacted them directly, while the remainder were known to, and initially contacted by, friends or colleagues. One person made contact with researcher as a result of the announcement in *The Buzz*. However, as she had owned several businesses in the past and was in the very early (potential entrepreneurship) stage of a new business, she did not meet the criteria to take part in the study.

In reporting these findings, every effort has been made to ensure confidentiality of respondents by removing names of people, places or organisations and other identifiers, particularly where the business itself is relatively unique or unusual, either in general or to the geographical areas in which the respondents were located. However, in some cases, respondents reported situations that were specific to their business, or business type and it would lose some of the sense of the material to totally remove these descriptions of their business.

Similarly, respondents are generally described in gender-neutral language; except in instances where their gender is obvious from comments they themselves made in the transcripts quoted.

Where respondents have been quoted in the report, some minor editing has been carried out to remove such hesitations of speech as “um” and “er” as well as any

---

<sup>12</sup> For example, they had been in business for too long, or had previously owned other businesses.

repetitiveness where these detract from the sense of what the respondent was saying. Where these “thinking aloud” speech characteristics seem to be part of the respondent’s thought processes, however, they have been retained.

#### *5.1.1 Gender*

Of the eight respondents who took part, six were women and two men. There may be several reasons for this imbalance, including the fact that virtually all of the respondents were identified through the (female) researcher’s personal networks, which are comprised of greater numbers of women than men. Additionally, during informal conversations with two contacts in Auckland-based enterprise agencies, one suggested that “women are happier to share information”<sup>13</sup> while the second noted that, in her experience, women outnumber men in courses designed for people planning to start businesses<sup>14</sup> which may suggest that, at the nascent entrepreneurship stage, there could in fact be more women than men setting up – mainly micro-enterprises. It may also be that women more readily sought help from enterprise agencies, although that was not a finding of this research.

It is felt that this gender imbalance does not necessarily impact negatively on the research, as the overall sample was too small for generalisations to be made about responses, and the study did not hypothesise gender as a factor in the information behaviour of new entrepreneurs.

#### *5.1.2 Age*

As it was not possible to discover the ages of the country’s small business entrepreneurs, we do not know whether the respondents are representative of this population. However, as with gender, age was not really hypothesised as a factor in information behaviour.

---

<sup>13</sup> Personal communication with the author, 3 April 2009

<sup>14</sup> Personal communication with the author, 4 April 2009

Of the eight respondents, the age distribution was as follows:

Number	Age of respondent
1	30-35
2	36-40
3	41-45
1	46-50
1	51-60
= 8	

**Table 1: Age of Respondents**

### 5.1.3 Age of businesses

The eight people interviewed represented seven separate businesses. All had been trading for between one and nine months; as shown below.

Number	Age of business
1	1-3 months
2	4-6 months
4	6-9 months
= 7	

**Table 2: Age of Business**

### 5.1.4 Type of businesses

As shown below, all but one of the businesses were in the service industries.

Bus. Type	No.	% of sample	% all NZ bus. <sup>15</sup>
Business services	3	43.00	10.20
Personal services	2	28.50	3.60
Household services	1	14.25	
Wholesale/Retail	1	14.25	9.00
	= 7	100.00	22.8

**Table 3: Business type, compared to NZ business as a whole**

As can be seen, this is not representative of businesses in New Zealand as a whole, but as with gender and other demographic factors, business type was not

---

<sup>15</sup> Statistics New Zealand, 2008b, p.1.

hypothesised as a factor influencing the information behaviour of new entrepreneurs.

## 5.2. Perceiving and describing “gaps”

Only one respondent had difficulty thinking of an experience, question or situation to recount. The others began fairly quickly – sometimes offering an extended narrative which included not only details of the question or situation, but a considerable amount of information about how they addressed it.

A good example of this came from the owner of a business providing personal services, who described the following situation:

Probably it sounds really silly, but a beauty therapy bed is probably one of the most important parts of my business. I have a whole range of clients from teenage girls, right through to older women who would find it hard to get on my bed if it was too high, and so I spent a lot of time researching the type of bed. And, because I'm quite short in stature, I needed a bed that, when I'm doing massage, is really adjustable for me.

... I'm also using my bed to do pedicures, so I needed to have the back right up and the feet go down. And it sounds like a small thing, but it took me ages to find the right bed. I had to go through to Australian ... websites and suppliers and I had to visit every showroom in Auckland. I had to do a lot of research with colleagues, and, because I ... have ideas about where I want my business to go in the future, I also asked a lot of business owners, like, “who have you dealt with?” “Who gave good warranties?” “Who were particularly good with giving you a good rate?” You know. So ... there were functional things with my bed. There were warranties issues. There were reliability in the future, and then just practical application. Was it going to last the distance? Was it hygienic? Can I wipe it clean? Did it adjust as much as I needed? Was it quiet? I didn't want anything that sort of went ... brrrrr ... and you know rattled and grumbled and rolled. It had to be very sleek ... so that people didn't have ... a sensation of moving. And I wanted people to get on it and think “this is stable and I'm not going to tip off; it's not going to collapse”, and to feel quite confident about it. So I spent ages researching that. [Personal Services Company #2]

This was the only example recounted involving the purchase of goods or equipment, and also the only example of a respondent who gave an unprompted and detailed account of engaging in a quite structured information-seeking process.

One respondent began by talking about problems experienced in dealing with a territorial local authority over resource consent to operate in a building zoned residential, later also recounting a similar situation trying to find out about regulations relating to the setting up of the business.

My first issue, what nearly put me off opening it up was I had to get a permit, because this part of the street is not zoned commercial. So I had to have the permit where you just hand the two grand over and you lose it or you don't. I found that really, really frustrating right from the first go. [Personal Services Company #1]

Five interviewees responded to the opening question by talking about the processes involved in setting their businesses up. Two were partners in the same venture and began by talking about how they reached the decision to start a business together.

[B] ... I've been coming up to the point where [child]'s been going to be starting school and I wanted to do something that wasn't corporate and was local and I didn't have to spend an hour in the car travelling both ways and I could maximise our time and still be able, because [husband]'s got such an inflexible job and he works such long hours I needed to be on hand. So I mean that's sort of how it all started.

[A] ... we both wanted to work for ourselves.

[B] For me it has to fit in around what happens in our household. And I still wanted to be there for [child]. So ...

[A] And I didn't want to be tied down, nine to five. We've got to have something that's flexible. So we got talking, and here we are. [Household Services Company]

Two respondents initially recounted the questions they had about the mechanics of setting up their businesses<sup>16</sup>, and two others also mentioned, later on in their interviews, seeking information about setting up their companies.

One respondent began by discussing the issue of how to generate enough work without becoming over-committed:

I think one of my main concerns starting up the business was the fact that if I started to do a lot of cold calling and a lot of calling on new businesses that I might find that I've brought in

---

<sup>16</sup> Excerpts from these transcripts are quoted in Section 5.4.2, on page 41-42.

too much business and that I won't be able to service it appropriately. [Business Services Consultant #1]

One talked about working out what services the business would provide. As with several other participants, this respondent talked about addressing this issue at the same time as describing it:

Well I suppose one of the main issues was, well, what we would actually do, what services I would provide. ... And I guess I started off by doing research, looking at other businesses that are involved in this area. Because there are lots of businesses in the sector ... So I guess one of the main things to start off with was to target exactly what my market was going to be and what my services were going to be. ... So the way we went about doing that was to do a bit of a business plan, and we wanted to have a website, so in setting up the website that had the information in there about what ...our services and offerings were going to be, led us to refine it and get it together. [Business Services Consultant #3]

During the course of the interviews, all of the respondents mentioned having questions in relation to their understanding of the market they were operating in. Five discussed questions they had about the kind of work they should take on, or the type of client they would work for. In each case they had started their business with a vision of what services they would provide, but had encountered situations where they had been asked to perform different services, or saw opportunities to do so.

In two cases this was related to the decision owners felt they had to make about the cost-effectiveness of taking on particular kinds of work, or specific assignments.

... even at the moment I'm finding that ...a lot of the work that you can be involved in is not really cost-effective, in terms of income, so that you have to look at it from the point of view of is it worth doing this because of the bigger picture ...or should I just turn the work down because the ...income is not there. [Business Services Consultant #2]

[A] ... We've had enquiries for [names service], which we're looking at. But ...

[B] Yeah, that's one thing. We've got a friend of [business partner], her daughter is [providing this service] ... She's given us a price list, but it's full cost, we wouldn't make anything on it. ... But we really need to be getting something out of it cos we'd be doing all the bookings and invoicing and everything else. So we're just thinking now about whether one or both of us should be going on a [service] course ... [Household Services Company]



As well as the issue of what work they would do, three respondents talked about questions that they had about their target market. As with services, they had experienced situations which challenged their view of what constituted their client base, and felt they needed to respond to that challenge. For example:

Yeah. It's a funny thing really, I started out ...dealing a bit with the smaller [client companies], but what I've recognised is ... what I want to do is probably deal with three or four really large ones and be their first point of call ... My focus has changed you see. It's funny ... my ideas for the business have changed since we've gone along. [Business Services Consultant #1]

But it's been funny, because from ... having a really open approach ... you know, everybody needs these services ... and then just purely from meeting lots of different people ... you veer off at different angles. ... And I suppose from generally thinking I'll chip away at a [potential client] here and there ...then [mentor] saying, well look, who are the decision makers within that organisation? You might meet 10, 15 people within that organisation and they might all think you're the best thing since sliced bread, but they ultimately don't make the decision of 'yes we want your services and we're going to pay you the money.' So I suppose from my lack of experience in business I thought I could chip away at a few [target clients] and then my awareness will get up .... and work will come. [Business Services Consultant #2]

Other issues and questions were related to:

- finding out about, and learning from, other businesses providing similar services or products, though not necessarily direct competitors (six respondents)
- identifying potential clients (three respondents)
- processes and issues around producing marketing material and carrying out marketing campaigns (seven respondents)
- the importance of networking and how to go about building networks (five respondents)
- pricing (four respondents)
- corporate image, including choosing a company name and the importance of physical location and facilities (six respondents)

In addition, four respondents talked about looking for general business advice. One had sought this from a private consultant met at a networking event; one

had contacted an enterprise agency and subsequently attended business start-up courses and obtained a mentor, one talked about reading relevant publications, and needing to network more, while the third talked about feeling the need for business advice and a mentor, but being unsure how to obtain either.

### 5.3. Addressing discontinuities

As with their descriptions of the gaps they experienced, respondents narrated a range of ways in which they responded to those gaps. In most situations described, respondents felt that they had bridged the gaps, principally with the help of friends, family, colleagues, professional advisors and the Internet.

One of the most interesting findings in this respect was the extent to which the process of gap-bridging seemed not to involve active information seeking activities, but serendipitous encounters with information. This was highlighted for the researcher when, during an interview, a friend of the respondent arrived unexpectedly. The friend was introduced to the researcher, and the respondent began to explain the research and talk about the issue that was being discussed. At this point, the friend started to make suggestions to the respondent about actions that could be taken to resolve the issue. This led to a quite detailed conversation, with the respondent asking questions and writing down the information supplied. A follow-up call to the respondent some days later revealed that the friend's advice had been taken, and the respondent felt that the particular gap was satisfactorily resolved as a result.

Related to this was the case of the household services company where in several instances, a comment made by one respondent acted as a 'memory jog' to the other, who then incorporated this into the pair's information-seeking, as can be seen from this example:

[B] Well we know we need public liability insurance which we haven't got sorted yet ...

[A] ... and he's [insurance broker] meant to be ringing us this week.

[B] He's hopeless ... [Household Services Company]

### 5.3.1 *Family and friends*

Consistent with the findings of other research noted in the literature review, this study found that informal sources of information were widely mentioned by respondents, particularly friends and family.

All but one respondent mentioned seeking, or receiving help or information from family members. Generally family, and in particular spouses, were credited with being helpful because they were “techie” (good at searching the Internet, creating a database, designing a flyer or website) or “had a good marketing and business brain”. However, two respondents mentioned situations where specific advice was given by family members<sup>17</sup>.

Friends and colleagues were also mentioned by all respondents, often as providing specific information that the respondent had acted upon. In addition to the instance witnessed by the researcher, perhaps the best example was the respondent who recounted how a friend’s comment began a process which ended in the respondent not only finding a business mentor, but attending a series of courses run by the local enterprise agency:

... probably the biggest insight, and the biggest development and help for me, has been a friend who suggested the New Zealand mentor scheme. ... I looked on the website and it led me to [local enterprise agency] ... I phoned up the director at [enterprise agency], and said, look I’ve not been in business 12 months<sup>18</sup> ... what assistance do you give to people like me who need the skills, this information now? ... and [Director] said ... if you do a ... questionnaire profile online and come to our [business start-up] course ... I will get you a mentor and you can sign up for all these free courses that are government funded ... and those course have been worth their weight in gold not only to up-skill myself and my knowledge base, but also to meet people ... [Business Services Consultant #2]

This respondent also described how the same friend facilitated introductions to a professional association and another consultant in a complementary business,

---

<sup>17</sup> These instances are quoted in Section 5.5, on page 50.

<sup>18</sup> At the time the respondent was enquiring, the Business Mentoring Scheme required that recipients of mentoring be in business for 12 months before becoming eligible for a mentor. This is now six months (Business Mentors New Zealand, n.d. Does my business qualify?)

while a second friend assisted in process of company formation, registering the domain name and finding graphic designers to produce a website and marketing literature for the respondent's business.

### **5.3.2 *Networking generally***

Four of the respondents talked about the importance of networking with colleagues (or former colleagues) and with other businesses. Two were actively networking, saying for example:

So I started getting out networking and talking to companies to try and find out how other new businesses started up and how they dealt with that same issue. [Business Services Consultant #1]

... And things have snowballed since, just by general networking, just meeting people by coincidence. [Business Services Consultant #2]

The other two talked of feeling that networking was important, but not actively engaging in it:

... you kind of don't know what's good from what's bad, but bar having a network of other small business people that you can say "well what are you using for that?" ... but I'm not really tapped into anything like that. [Product Distributor]

... need to do more networking things, ... talking more to people. ... Because I'm operating at home, I could become quite isolated. My ideas, my vision for the business could become real tunnel. ... I haven't done it yet, because I can't afford it right at the moment ... [Personal Services Company #2]

### **5.3.3 *Help online***

All but one respondent talked about using the Internet to find information on a range of subjects. In fact, when respondents talked about doing research they almost inevitably used online sources as their principal means of carrying this out. In addition, two respondents specifically mentioned how they had registered their companies online through the Companies Office website.

Typical responses include:

I'm always on the Internet, you know. I read all the papers online. I do lots of research, yeah. [Business Services Consultant #1]

[I] How did you find out about registering for GST?

[R] Just, um, through the Internet again. [Product Distributor]

... once you get online basically you can find out anything you want to ... [Business Services Consultant #3]

Three respondents talked about using the Internet to find out what other businesses in the same field were doing. For two of them, the objective was to find information to help them establish a competitive advantage, while the third sought to determine whether they had competition in their local area. They also used the information from competitors' websites to help them develop their own business:

[R2] We did a lot of research on the internet ... Found a lot of people doing this sort of thing.

[R1] So we had a lot of figures for cost comparisons, and ...

[R2] Yeah. And we didn't want to start where somebody else was already doing it. There's nobody that actually covers ... [area business located in] ... [Household Services Company]

Three respondents mentioned reading newspapers and magazines, but only one talked about visiting the library and buying books:

I read all the publications that are available for [industry] and small business ... I read a lot and if ... [I find] any ideas that they say, I'll normally follow up. It might not work for my business or I'll just store it away as a rainy day idea, or when I can afford it idea or maybe when I expand a bit.

[I] So reading is important for you?

Yeah. ... because I haven't had a business before so I go to the library a lot and I've bought lots of books, I get books off TradeMe all the time. *Women in Business, Small Business Holders in New Zealand, How to Make the Best of your Business*, you know all that kind of stuff, real grass roots, trying to do the basics in your business. [Personal Services Company #2]

Other sources of information consulted include:

- Professional advisors, specifically lawyer, accountant, banker (six respondents)
- Enterprise agency (one respondent)
- Business mentor (one respondent)

#### 5.4. Responding to perceived gaps: bridging, closing and avoiding

Central to Dervin's theoretical construction of Sense-Making is the notion that in order to address the 'gaps' or 'discontinuities' individuals face in their everyday life, or in the performance of specific roles, they draw in external facts, data, opinions, (depending on how they define information) and process this in order to navigate those gaps, whether by bridging them, closing them or finding strategies to avoid them. Thus in sense-making, information itself is not necessarily seen as a solution to problems. What matters is how individuals process it and how it affects the situation they are in.

Analysis of the ways respondents went about addressing the questions that arose for them, or the situations they found themselves in, needs to be grounded in the notion that their actions, or inactions, must be understood within their own, internal sense-making processes.

It is not sufficient then, to list "sources of information" as though these external stimuli are in themselves answers to questions; instead, this section will look at how interviewees responded to their perceived gaps.

##### 5.4.1 *Active information-seeking*

For most respondents, bridging a sense-making gap was a fairly straightforward process, involving one or two steps. The only major departure from this was in an account, given by one of the personal services business owners, of buying a key piece of equipment. What has been envisaged as a fairly straightforward process turned out to be considerably more complex:

... I just sort of thought, well, you go to the supplier ... you see the bed you want and you buy it ...it gets delivered, you unpack it and you plug it in. It wasn't til I started talking to my colleagues and, [read an article] about buying equipment, and I thought, ... I hadn't thought about the power usage and ... noise and ... adjustability. I went ... to a couple of suppliers and I thought ... their beds are horrible ...

[I] Once you had read the article and you went to some suppliers, what happened next?

[R] Well, there was varying knowledge about products. Some of the people were hopeless. They didn't know the product and the questions I was asking them they couldn't answer, and they'd fob me off with a really crappy brochure which would say the price and have a picture and it wasn't enough information and I would say "well, what are the wear and tear

areas on this bed?" ... "what's the risk areas?" ... Or "is there going to be an electrical fault?" ... and people ... had no information ... and sometimes they'd say "oh, just go onto that website." Like, we just import them, we're not really interested.

So ... I got quite frustrated ... cos they're quite a lot of money ... and I thought where am I going to get this information from? So we phoned some of the suppliers in Australia ... or the people that made the bed. And some of them were good but ... generally it was hard to get ... information out of people. ... even the people that made the bed. ... No-one was interested, no-one cared. And that seemed a bit strange. And then I ended up say "well, who have you supplied these beds to?" "Who's using them at the moment? Can I talk to them?" So I actually had to go right to the people that are using them every day and then I could ask them. "How long have you had the beds?" "Are they noisy?" "Can your staff use them easily?" "Have they stained or are they unhygienic," or ... "what's the practical usability and what's the feedback from clients?"

[I] What did you find was the most helpful to you?

[R] The people who actually had the beds, cos they seemed to know more about the bed actually than the people that were providing it ... it was just sales pitch to me, and I've been in sales and I know the whole blah, blah, blah. ... I needed to know more detailed things. And people, they were quite funny about answering my questions. ... some people didn't like that I was asking so many questions. They just said, "oh you know, this has been a good bed, it's been very popular" and that didn't cut it for me. It just meant that there were maybe only three beds in their showroom and that was the best priced one. So that was interesting. [Personal Services Company #2]

In this instance, the respondent's initial gap – which bed to buy – was perceived as a small one. During the process of trying to bridge it, the gap became wider and it became necessary to engage in active information seeking. In this case information came from a range of sources, with colleagues and other business owners being perceived as most helpful. A major barrier to gap-bridging was the respondent's perception that suppliers were under-informed and unwilling to help.

#### **5.4.2 Directed scanning and serendipitous encounters**

Two respondents began their narrative by identifying the same gap – how to actually set up their business:

I suppose one issue was - how would I form the company? ... As a limited company, or a partnership format. ... Whether to register for GST or not? So how did I resolve those sorts of issues? Well, I didn't go to an accountant, cos I've got a bit of accountancy training, so me being me, I just decided to try and do some research on the Net. And I talked to a

colleagues of [husband's] who had set up a business and he said "it's really easy to do; you can do it all over the net. And just follow the steps ... pay your fee, and then you're registered." So, I made the decision that I would do it as a limited company. ... When I decided that I needed to do it, I had to do it quite quickly, cos this guy I was sort of going to do business with in Australia, wanted details from me, and I suppose I had presented this picture that I was capable of doing this, all well established. [Product distributor]

I suppose really, having my background in the public service ... my experience or the skill sets I've used, I had no idea ... what I needed to do to set up the company... how to go about that? So that was the biggest problem to start with. So really through speaking with contacts and friends it was well, yeah, I need to go on the Companies Office website to register first of all ... and think about a company name and just really go through the bare bones of things ... Probably the starting point [was] well right I've got a concept, what do I call my company? ...

... So those were the initial problems, and then ... ok, if I'm starting a business I need a bank account; what's the ins and outs of a business account? How does it operate? An accountant. And really ... speaking to a friend first of all who said well you need to get a registered company, did that first, registered the name on the website, then the bank, register accounts ... having a business card. ...and then seeing an accountant who gives you ... advice as well about managing your finances.

Actually, setting up the actual company was easy. My friend, [name] just sat down with me and we did it all online. [It] took about 40 minutes or so. Then we got onto Freeparking, checked that [company name] was available, and just did that too. [Business Services Consultant #3]

Both respondents talked about need; indicating that for them the gap had to be bridged. In the case of the product distributor, this was exacerbated by an urgency created by an Australian supplier who "... wanted details from me, and I suppose I had presented this picture that I was capable of doing this, all well established."

In both cases, they felt the gap was bridged relatively easily, and what help both respondents was the advice of a friend or colleague who either pointed them in the direction of the Companies Office website, or in the latter case, physically assisted the respondent go through the registration process. In both cases, a related gap was in first of all deciding on an appropriate business structure.



### 5.4.3 *Information by proxy?*

Only two of the respondents talked about seeking general business advice. Both also mentioned mentoring, and were the only respondents to do so. In the case of this gap, their responses were completely different, as the following shows:

... probably the biggest insight, and the biggest development and help for me, has been a friend who suggested the New Zealand mentor scheme. ... I looked on the website and it led me to [local enterprise agency] ... I phoned up the director at [enterprise agency], and said, look I've not been in business 12 months... what assistance do you give to people like me who need the skills, this information now? ... and [Director] said ... if you do a ... questionnaire profile online and come to our [business start-up] course ... I will get you a mentor and you can sign up for all these free courses that are government funded ... and those course have been worth their weight in gold not only to up-skill myself and my knowledge base, but also to meet people. [Business Services Consultant #2]

In this situation, the respondent had no prior perception of experiencing a “gap”, but (in McKenzie’s terms) appeared to receive the information by proxy, which led to the respondent seeking more information, and ultimately bridging the gap that emerged out of receiving the initial information. However, later in the interview this respondent suggested that such information was not entirely unsolicited, but more a result of a conscious decision to get to know certain people:

... because I've tried to position myself with the right people. You know, people who've run businesses or who know what they're doing, so they know what's what. They know how things work and where you can go for advice and help, that sort of thing. [Business services consultant]

The second respondent did perceive an information gap and was unsure how to address it. This respondent also received advice from a friend to seek a mentor – although, in McKenzie’s typology, this could be seen as either a serendipitous encounter, or information by proxy, in that although the respondent was aware of a gap, the friend appears to have initiated a conversation about the respondent’s business in which a means of negotiating it was suggested:

...I don't feel like there's anyone there that can just be of general support, ...like a mentor type role ... And a friend of mine's told me to try and get a business mentor ...to talk things over and see if [I'm] going in the right direction ... And I didn't know about that til she'd said, that there is perhaps some help you can get that way. ... So she said ... how you

doing? How's it going? And I'm really not sure ... I know that ... I need some forward plans ... to grow it or to just look at securing what we've got ... I've got ideas but it's just having that someone with more experience or confidence for just a bit of guidance. ... But where do you get that sort of thing from? I just find that a lot of people tend to talk to their accountant. [Product Distributor]

However, the respondent is still experiencing the gap, and seems unsure how to proceed. Despite being given information about using advisors (mentors, accountant), there seems to be a barrier in terms of knowing where to go to find a mentor. The respondent accounts for this, in part, as a result of relative social isolation:

'... coffee groups are really, really powerful places, cos you get people talking. But I've never been a part of one of those, so I didn't really know ... I mean I've done this in a time with [raising young daughter], and moving house and things, I wouldn't say we've had a great social situation ...' [Product Distributor]

#### ***5.5.4 Gaps that are not bridged: barriers to sense-making***

As noted earlier, in most cases respondents described ways of bridging the gaps they experienced. The example of the product distributor above is an exception, as that of the owner of a personal services business, who described trying to find out about the health regulations relating to establishing the business:

[R] Yeah I had to, you know, to deal with people like the health department. Oh, they were shocking ... Nobody knew anything about [business]; what you're supposed to have; what you're supposed to do. Nobody could tell me anything.

[I] So, did you contact the Health Department and ask what you needed?

[R] Yeah. And I got fobbed from one person to the next. And I had the other stuff (resource consent) going on as well. So it was really a terrible time. Really terrible. And then no-one knew how many [items of particular fitting] I was supposed to have. ... nobody knew. And then I'd get handed over to someone else who'd say oh, "I'll get back to you" and they'd never get back to you.

And then I got sent a little piece of paper ... it was really unprofessional I thought ... with pictures on it and God knows what. Telling you oh, you've got to have this, and wash your hands and... But no, I just found the whole experience really stressful and unprofessional to tell you the truth. And it actually ... got to the stage where I thought you know, is God telling me not to do this, because it didn't flow very easily at all.

[I] Did you have specific questions that you went to them with? In terms of the health regulations and ...

[R] Yeah. ... cos I didn't know. I'd been gone too long ... when I was in the [business] in [provincial city] you had to have coving floor and ... that had all gone. ... I said "well do I have to?" I had the floorers in here. "Do I have to have coving floor?" Well no-one could tell me. "I don't know." So I just didn't do it. [Personal Services Company #1]

In this case, a principal barrier to sense-making can be seen as the respondent's unsatisfactory interactions with the local authority. As a result of this, the respondent sought information from a friend:

Well [name], my friend in there has owned a [business] ... so I could turn to her a bit but she, she still had to have the coving floors and things like that. So she helped me out quite a bit, but certainly not dealing with the council. They were bloody hopeless. Really hopeless. [Personal Services Company #1]

Other barriers to sense-making were the fact that the respondent was new to the area, and was reluctant to talk about the plan to open a business to people who might have been able to help:

[I] You've mentioned that [friend] was helpful, and that you'd probably talk to [colleagues]. Were there any other sources of help, or other people you talked to?

[R] No. Not really because I'm a person that ... I sort of knew what I was doing and I didn't want to say too much around here in case it didn't come off, and you know, like the 'Leased' sign went up, but no one knew what was going on and I sort of , no, I just went about things myself. [Personal Services Company #1]

## 5.5. Why this? How respondents create cognitive authority in language

One of the questions this research sought to answer related to how entrepreneurs privileged some sources of information over others – how cognitive authority was created.

Informed by a constructionist notion that language is not a 'neutral instrument for reporting observations but the means through which knowledge is created in discourse' (McKenzie, 2003b, p.262), it was decided to address this question not simply through what respondents said about their situations, but through close examination of the language they actually used to recount their experiences.

One of the clearest ways to see how cognitive authority is constructed is to examine instances where respondents discussed and evaluated multiple sources of information.

In analysing the data, the researcher found relatively few instances where such comparisons occurred within a narrative, and it seems that this may be in part because of the way respondents approached the gaps they experienced. In most cases, respondents did not report seeking, or otherwise encountering, alternative sources of information when they tried to address discontinuities they experienced. Instead there seems to have been an unspoken assumption that the source of information or assistance they relied had cognitive authority, because they used it and achieved a result that was considered satisfactory.

One example where competing sources of information were discussed came from one of the personal services company owners, who described trying to find out what had happened to a competitor who had previously operated across the street:

.... I looked into what had happened to the other [business] over here. I went into [tenant in building that had been used by competitor] one day. I was strung a whole cock and bull story over there, about what had happened to the other [business].

[I] That's interesting. What did they say?

[R] They had said that her lease was up and they'd taken over and that ...basically they didn't know how well she'd done. They knew nothing about it.

But I was in having dinner in the [local restaurant] one night and happened to get introduced to the landlord [of the previous business's premises]. ... Because I know [owners of restaurant] and they said "this is [respondent name] and she's going to be opening up ... across the road" and he'd had a few drinks and I said "oh, they got the lease" and he said "that's bullshit. I threw her out. She didn't pay her rent. She was offered fifty grand to get out of the lease and she took it."

So that's what really happened. So, then I thought "Oh God. She got thrown out." But then but as the story went on, she was addicted to painkillers for [medical condition]. She wasn't opening up. She lost the clientele. And that's what happened and I thought, well there you go, she had the clientele but she lost it through her own problems. So I knew then "oh this is going to work." [Personal Services Business #1]

This respondent's use of the term "cock and bull story" to describe something she has been told indicates she regards this information as unreliable, and is in fact, quite disdainful of it. By contrast, in describing an (alcohol influenced) conversation with the landlord of her former competitor's premises, she twice affirms her faith in that version of events by saying "... so that's what really happened..." and "... and that's what happened."

She also recounts the story of the previous owner directly – not as someone else's speech that she is reporting. "... she was addicted ..." and "... she wasn't opening up. She lost the clientele". This serves to give these statements authority, compared to other parts of her narrative where she has reported third party accounts as such. In this way she has accounted for the failure of a previous business by reference to its owner's failings, not through market conditions – thus adding to her confidence in her own business's future.

Similarly, in the excerpt below, the product distributor dismisses the notion of paying for a shelf company with the phrase "oh, no, you know, I don't actually need that handholding", justifying the decision not to spend additional money. The respondent then talks about how easy the company registration process was:

I actually contacted this company that had off-the-shelf companies that you could buy already. But when I had a look at the fees for that, against being able to just go onto the Companies website and do it myself, I thought 'oh no, you know, I don't actually need that handholding, I probably can work though and do it myself.' So that's basically what I did. I just had to research a name that I could use, follow the steps. There was little help sections on there if you weren't sure and needed help ... but it was quite ... a useful self-teach process to go through, to register. [Product Distributor]

While the data offered few examples of respondents describing the use of different sources of information, there were several instances of different respondents commenting on the same sources; providing an interesting contrast of perceptions. Both the product distributor and one of the business services consultants talked about setting up business bank accounts, and having a meeting with a business banker.

The product distributor began talking about banks in the context of general sources of business information:

... I guess ... bar the bank, bar advertising that you see for banks ... who obviously just want your business, it didn't particularly strike me there was ... anywhere you could go ... just a drop in centre or anywhere just to pick up information or get information that you needed about small business.

You get a business adviser at the bank but ... being a little bit cynical that way, they'll sell you services and things, but you know, there's a mutual benefit there. They were very happy to help me out with an overdraft, and not disclose all the fees properly and then all of a sudden you find, oh, this is why they're so keen to help you and give you an answer within 24 hours for an overdraft ... because they're making money from it. [Product Distributor]

Phrases such as "... obviously just want your business ...", "... they'll sell you services and things ..." and "... they're so keen to help ... because they're making money from it", suggest that this respondent does not regard banks as an independent, or perhaps credible, source of business information.

On the other hand, for the second respondent, the bank was seen as a valuable source of business information, and affirmation of the business's viability:

I was a [name of bank] customer and I went to see the business consultant ... there. ... had another 20 minutes, half an hour with him, explaining what my business idea was, again, good feedback, saying "really interesting", cos I'm sure the banks would tell you if it wasn't, and wouldn't open an account, a business account especially, if they didn't think it was worthwhile or viable. So we set up ... a business account, and also [consultant said] "you'll need an accountant." I said "oh, I haven't got one," and he said, "from word of mouth ..." and recommended a small business accountant ... [Business Services Consultant #2]

This respondent's statement "... cos I'm sure the banks would tell you if it wasn't (a good business idea), and wouldn't open an account, a business account especially, if they didn't think it was worthwhile or viable ..." shows a faith in the bank as a source of information that is in marked contrasts to the self-proclaimed cynicism of the product distributor above. Such was the strength of the consultant's perception of the bank that the advisor's recommendation of an accountant was accepted and followed up.

The product distributor mentioned accountants several times during the interview; the narrative suggesting that as a source of information, accountants

rate quite highly for this respondent. Statements such as “Well I didn’t go to an accountant, cos I’ve got a bit of accountancy training”, and “I just really fell back on my accountancy, what I’d done at college in accountancy really ...” regarding the question of how to structure the business, suggests that the respondent regarded accountants as an important and credible source of information, and that decisions made could be justified on the basis of the respondent’s own training in this area.

Throughout the interview, this respondent returned to the topic of accountants, again emphasising the importance placed on them as a source of business information by prefacing comments with assertions that talking to accountants is what “people do.”

I think that, well, you know, people generally turn to their accountant, of which I don’t have one yet. I haven’t been in business quite a year, and so I will be looking at getting one.

I just find that a lot of people tend to talk to their accountant. There’s this friend of mine who’ll have lots of meetings with her accountant and just general guidance and suggestions and whatever their accountant says they kind of do, you know. [Product Distributor]

As several other respondents also mentioned accountants and lawyers, it is worth reporting some of the comments here, with emphasis on phrases which highlight the way they constructed a sense of authority for these sources through their language:

I think the big thing for us was that we set up the business properly. So before we did anything we went and saw the lawyer and the accountant about how to set the foundations of the business [Business Services Consultant #1]

Our advice from our, from financial people, our accountant I guess, was that you know, we should set up a limited company and that we should register our name and register our, obviously our website and our email addresses, and that sort of thing, so you know, the basics, stuff like that. Um, you know, we took advice from the experts and just did what they said. [Business Services Consultant #3]

As family was also considered an important source of information by the respondents, it is useful to note two instances where advice offered by family members was received:

I was talking to my brother who has a [type of] business and all he has is Yellow Pages, and his mobile number and email. And he said I have those on my vehicle. And he said I don't have a landline cos nobody ever rings it. He did the first couple of years. He said nobody ever rang him. He said, "if they can't afford to ring me on the mobile, they can't afford the ... to employ me." And that's what he does. [Household Services Company, Respondent A]

... the other thing that's quite difficult I find, particularly in the early part of starting up the business, has been enquiries that come in, you send back an email then you never hear any more and [name], my husband, says to me "let it go, if they can't afford it then you know, no matter what you do, it's just going to, you know, you don't want to aggravate the situations. Don't chase it." But ... [Household Services Company, respondent B]

In the first case, the repetitive use of "he said ..." and "And that's what he does", along with the respondent's confident tone in recounting this instance of information offered suggests that the brother's advice was considered credible, and in fact acted upon. In the second case, the respondent tailed off the recount with 'But ...' and left the comment hanging in such a way as to suggest she didn't fully agree with her husband's suggestion.

Examining language in such detail; considering the 'turns of phrase' as well as the content of the statements, has provided rich detail about the way the respondents regarded various sources of information they encountered. As would be expected, accountants and lawyers were generally well regarded by respondents, as were friends and family – while two contrasting views of the role of banks were offered.



## 6. Conclusions

This project had two principal objectives; to examine the information behaviour of a group of new business owners in order to provide some insights into the way they conceptualised and met their information needs, and to explore the usefulness of the Sense-Making methodology for such a study.

In terms of understanding behaviour, it is important to note that with such a small sample, generalisations cannot be drawn from the respondents to new entrepreneurs in general. However, some conclusions can be reached about the information behaviour of those who took part in the study.

### 6.1. The data

#### 6.1.1 *About the discontinuities experienced*

Unsurprisingly, most of the respondents recounted experiencing at least one question relating to one of a small number of business issues. These were principally around the mechanics of setting up a company, deciding what kinds of services to provide and learning about the market environment in which they were operating – particularly determining their target market, pricing their services, developing a business or professional image and creating marketing materials.

#### 6.1.2 *Responding to discontinuities*

Like other research about small business owners, this study found that most of the new entrepreneurs interviewed responded to many of the perceived gaps in their ability to make sense of their world by talking to friends, family and colleagues. The majority of respondents had also consulted an accountant and sometimes a lawyer or bank advisor, but only one had approached any of the Government-sponsored agencies set up to provide assistance to new and small businesses.

Friends and colleagues, including those offering unsolicited or serendipitous information, seemed to be a major source of help for the respondents, while

isolation from peers or other small businesses appeared to be a barrier to bridging discontinuities, with two respondents reporting that they had no-one to ask for assistance, and a third being concerned about not networking enough and becoming isolated.

The major exception to the use of personal networks as an information resource was where respondents talked about carrying out 'research'. In most cases this involved using the Internet, and in fact, with the exception of one respondent, the terms 'research' and 'internet' or 'online' were virtually always found in the same sentence in respondents' interview recordings.

### **6.1.3 *Cognitive authority***

Because most of the respondents did not describe situations of information behaviour in which they engaged in active information seeking where multiple sources of information had to be compared and evaluated, the intention to explore the ways in which cognitive authority was assigned was not completely met, although useful data was obtained from those respondents who did discuss competing sources.

Comparing accounts of information sources between respondents highlighted two different attitudes to the assistance provided by banks, and also a consistency of (positive) attitudes towards professional advisors; namely accountants and lawyers.

Overall, a considerable amount of rich data was gathered which showed how the individuals used everyday "turns of phrase", repetition, modes of reporting others' speech and emphasis in tone to indicate the credibility and authority they assigned to information and information sources.

## **6.2. The methodology**

The second objective of this project was to investigate the use and effectiveness of both Dervin's Sense-Making methodology and a research model based on the

work of Pamela McKenzie in examining the information behaviour of new entrepreneurs.

A major strength of the Sense-Making methodology is that it focuses on the concrete experiences of the individuals being investigated, which are both easy for respondents to recall and potentially rich in detail.

In general, the methodology proved appropriate to this research group. All but one respondent quickly thought of an experience they were able to recount, usually in considerable detail. In the course of the interviews, respondents were also able to describe several additional questions or problems they had experienced since setting up their business, often with minimal intervention from the interviewer. These recounts were generally comprehensive and detailed.

Where the study failed to generate desired data was in the areas of cognitive authority and the assumptions made about new entrepreneurs' possible lack of a domain language.

In the former instance, the researcher, while modelling this aspect of the research on the work of Pamela McKenzie (2003b), did not adequately develop appropriate questioning to obtain from respondents either instances of active information seeking involving multiple sources, or (as McKenzie did) of being given unwanted or unsolicited information. To achieve this would probably require either longer interviews, or multiple contacts with respondents.

In the latter case, one of the assumptions of this study was that new business owners do not necessarily share a "domain language" of business with which to communicate their information needs. On reflection, this notion was not operationalised within the research design, and therefore was not subject to testing as a hypothesis. However, from an examination of the transcript data, it would appear that most of the respondents seemed to have a clear idea of their needs, and were able to express them in such a way as to find the information they required to make sense of a situation.

### *6.2.1 Theorising information behaviour*

It was noted in the literature review that the study of information needs and information-seeking has, over time, become the study of information behaviour. This forms an interesting parallel with the development of the researcher's own thought processes.

This study was originally conceived as one which would examine active information seeking behaviour – based on the researcher's assumption that faced with setting up a new business, individuals would engage in a structured search for information to answer the many questions they would “undoubtedly” have.<sup>19</sup>

However, as noted throughout the report, what was found instead was that much of the respondents' sense-making was based on information obtained through scanning activities and serendipitous encounters. Because of this discontinuity between the original assumptions and the behaviour found, the overall research questions were perhaps inadequately framed, particularly with regard to collecting data about why respondents privileged certain sources of information over others. Thus while the study was relatively successful in demonstrating how respondents privileged certain information and information sources in language, it was less successful in determining why.

### *6.6.2 Becoming part of the respondent's information behaviour*

The situation described in Section 5.3 where the researcher's presence instigated a conversation between the respondent and a friend which led to the respondent feeling that a gap had been bridged, was perhaps the clearest example of the way in which respondents' information behaviour could be seen as a ‘work in progress’, with business issues routinely discussed in multiple, everyday life conversations. Indeed, one small business owner who was not eligible to take part in the study, told the researcher that, in New Zealand, when one doesn't know something, all that is necessary is to go out and talk to people about the

---

<sup>19</sup> A view based on the researcher's own experiences of setting up small businesses.

problem – the implication seemed to be that anyone would do – and eventually someone would offer a solution.<sup>20</sup>

In conclusion, it is felt that this research has demonstrated that the Sense-Making methodology can be utilised, in conjunction with analysis of discursive practices, to gain valuable information about the information behaviour of new entrepreneurs. Some suggestions for implementing the methodology more effectively are made in the next section.

---

<sup>20</sup> Personal communication with the author, 31 March 2009.

## 7. Recommendations

As with the study's conclusions, its recommendations fall into two types: those relating to using the methodology in future research, and those relating to the actual information needs of new entrepreneurs.

### 7.1. For future study

Although this research is obviously limited in scale and suffered from some flaws in the design of its data collection instrument, the study does have value in demonstrating that the methodology employed can be used to investigate the information behaviour of new entrepreneurs, providing a framework through which the perceptions and meanings of the entrepreneurs can be captured and analysed by researchers.

It is felt that a larger-scale study would provide valuable insight into the processes through which new entrepreneurs think about, and address the questions and issues they face in setting up their businesses. As a methodology, the strength of Sense-Making is in allowing respondents to articulate their own meanings and categories of information. Data thus gathered could then be used to develop research instruments capable of capturing meaningful, quantitative data which could inform policy development.

A key element of such a study would be the development of questions which more closely investigate the reasons respondents choose to privilege some information sources over others, and in particular why few new entrepreneurs seem to seek assistance from Government-sponsored agencies and programmes. As one of the principles of this study was to allow respondents to talk about gaps and responses that were meaningful to them, no attempt was made to ask about issues or information sources respondents did not mention. A consequence of this was that, as only two respondents mentioned obtaining, or wishing to obtain assistance from enterprise agencies or other government-sponsored programmes, the study could not explore why the remaining participants did not seek such assistance.

Such a study would need to address the issues, discussed in Section 3.3, of obtaining a large enough sample of new entrepreneurs. While viral marketing techniques were sufficient to identify and persuade those approached to take part in this study, in order to be successful on a larger scale, it is likely that research would benefit from the support of agencies such as the Ministry of Economic Development.

## **7.2. For policy and programmes relating to the business information needs of new entrepreneurs**

While data from this research is not really generalisable, it is the case that virtually all of the entrepreneurs interviewed addressed issues they encountered, at least in part, by talking to other people. From a policy perspective, who entrepreneurs talk to – and therefore receive information from – is important, yet only one respondent mentioned having approached an enterprise agency and sought a business mentor, while another expressed a sense of need for such assistance, but seemed unaware of how to access it.

While the group of new business owners who participated in this research cannot be said to represent new businesses generally, it does seem that they conform to the pattern found in other research, of generally not seeking assistance from the agencies specifically set up to provide it. At the same time, these individuals seemed hungry for information – seeking it, and accepting it (sometimes unsolicited) from friends, colleagues and family as well as professional advisors.

Given the apparent preference amongst respondents for personal contact with information sources, and the fact that professional advisors seemed generally regarded as valuable sources of information, it would seem logical that enterprise agencies and other government-funded agencies should maintain close links with accountants and lawyers; enabling and encouraging these professionals to act as ‘advocates’ for their services.

Similarly, drawing once again on the analogy between giving birth to a child and starting a business, it seems that enterprise and other agencies might take on one

of the (often informal) roles of a midwife – that of encouraging new mothers to join ‘coffee groups’ where they can meet others similarly new to parenting.

While in business, this might generally just be called networking, coffee groups – as routinely established for new parents – are a particular manifestation of networking where the objective is principally to provide a forum in which a group of people experiencing something new and significant in their life can share their experiences and learn from those of others. Business networking, by contrast, often has connotations of being a forum for selling rather than learning.

Finally, it is perhaps fitting to conclude this report with a suggestion made by a respondent in relation to one small way in which government could help new entrepreneurs, particularly as this suggestion echoes and addresses concerns raised by the Small Business Advisory Group, noted at the beginning of this report:

I think when you register as a company ... there should be more information that comes from the [Companies Office] ... A welcome pack ... that would say ... there's perhaps these grants available to help people, or if you have issues here, contact ... They know you're a new company ... I'm sure they hold all that information. ... When we emigrated here, there was quite a nice sort of support pack and a road atlas they give you to find your way around New Zealand that you get free ... but not when you set up a new business. [Product Distributor]



# **Appendix I**

## **Information sheet and consent form for respondents**

## Study of how new business entrepreneurs go about finding out what they need to know in order to set up and run their business.

Researcher: Su Leslie: School of Information Management, Victoria University of Wellington

I am a Masters student in Library and Information Studies at Victoria University of Wellington. As part of this degree I am undertaking a research project that looks at the way new business owners go about finding out what they need to know in order to set up, and run, their business. I am inviting individuals who have recently gone into business for themselves, or who are in the process of setting up their own business, to participate in this study.

### **What is involved?**

Participants will be asked to take part in a face to face interview with me. I anticipate that this will last for approximately one hour and will be recorded using a digital voice recorder. I would also like permission to make a follow-up telephone call, or a further meeting if needed to clarify any point. However, I do not anticipate this project taking up more than 1-1.5 hours of each participant's time in total.

### **What will happen to the material collected?**

The recordings will be transcribed by me and the material collected analysed (also by me) to form the basis of my research report. This will be written up and submitted to the School of Information Management at Victoria University for marking. It will also be deposited in the University Library, and I hope to use the material in one or more articles to be submitted for publication. Electronic recordings of all interviews will be deleted within two years of the end of the project unless respondents indicate they wish to take possession of the recording.

### **Does the University have any policies or procedures relating to student research?**

The University requires that all research involving human participants must be carried out according to ethical principals and must have prior approval from the appropriate Human Ethics Committee. This project has received ethical approval from the School of Information Management Human Ethics Committee.

### **What about confidentiality?**

All of the material I collect from participants will be kept confidential. It will not be possible for respondents to be identified individually. Only my supervisor, Ms. Brenda Chawner, and I will see the interview transcripts, which will be destroyed two years after the end of the project.

Respondents will have the opportunity to read and comment on the transcript of their interview prior to publication of the report.

### **What happens if I change my mind about being part of the study?**

Should you wish to withdraw from the project, you may do so at any time before 25 April 2009.

### **How do I find out more about the research and what is involved?**

You can visit [www.vm.co.nz/bus\\_research](http://www.vm.co.nz/bus_research) for information about the project and about me. If you have any other questions, please contact me at the following:

- Su Leslie: PO Box 40, Greenhithe, North Shore City. Telephone: (09) 413 7980 / 021 1412825. Email: [lesliesusa@myvu.ac.nz](mailto:lesliesusa@myvu.ac.nz)

You can also contact my supervisor:

- Ms. Brenda Chawner: School of Information Management at Victoria University, P O Box 600, Wellington. Telephone (04) 463 5780. Email: [Brenda.Chawner@vu.ac.nz](mailto:Brenda.Chawner@vu.ac.nz).

### **I'm interested in taking part. What do I do?**

Please telephone me on 09 413 7980 / 021 141 2825 or email me at [lesliesusa@myvu.ac.nz](mailto:lesliesusa@myvu.ac.nz).

Thank you for your help

Su Leslie  
March 2009



## VICTORIA UNIVERSITY OF WELLINGTON

### CONSENT TO PARTICIPATE IN RESEARCH

**An examination of how new business entrepreneurs go about finding out what they need to know in order to set up, and run, their business.**

**Researcher: Su Leslie**

I have been given and have understood an explanation of this research project. I have had an opportunity to ask questions and have them answered to my satisfaction. I understand that I may withdraw myself (or any information I have provided) from this project before data analysis begins on 25 April 2009, without having to give reasons or without penalty of any sort.

I understand that the researcher may wish to contact me for a follow-up telephone call or meeting subsequent to the interview, and I consent to the researcher making such contact.

I understand that any information I provide will be kept confidential to the researcher, and the research supervisor, the published results will not use my name, and that no opinions will be attributed to me in any way that will identify me.

I understand that the electronic recordings of all interviews will be deleted within two years of the end of the project. Interview transcripts will be destroyed within two years also.

I understand that I will have an opportunity to check the transcript of my interview before publication.

I understand that the results of this research will be written into a report to be deposited in the Victoria University Library, and may possibly be included in the library's institutional repository. Results may also be used in articles submitted for publication to academic journals, and other publications. It will not be possible to identify me in any way from the material so produced.

I would like to receive a summary of the results of this research when it is completed.

I agree to take part in this research

Signed: \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

*(please print clearly)*

## Appendix II

Pages from website

[http://www.vm.co.nz/bus\\_research](http://www.vm.co.nz/bus_research)

## Finding out what you need to know to set up a business

- Home
- About the research
- Taking part
- About Su Leslie

I'm [Su Leslie](#), an Auckland-based Masters student in Library and Information Studies at Victoria University of Wellington. As part of this degree I am researching how new business owners go about finding out what they need to know to set up, and run, their business.

Very little research has been done on how people starting out in business go about getting help, and this can be frustrating for government and other agencies who offer business assistance yet sometimes find their services under-used. I hope this project will at least provide a starting point for understanding what new business people are looking for.

### Taking part in this research

If you have gone into business in the last year, or are planning to do so within the next 6 months, would you be willing to take part in this research by talking to me about the questions you had about going into business and how you answered them?

### What is involved?

I would like to carry out a face-to-face interview with each respondent. These will probably take about one hour. For full details of what is involved, please click [here](#).

### How to learn more about the project

Click [here](#) to email Su Leslie if you have any questions about the research or would like to take part.

#### Contact Details

Su Leslie  
PO Box 40  
Greenhithe  
Auckland 0632

09 413 7900  
021 141 2825  
[lesliesu@mywww.ac.nz](mailto:lesliesu@mywww.ac.nz)

Brenda Chawner (Research Supervisor)  
[Brenda.Chawner@vuw.ac.nz](mailto:Brenda.Chawner@vuw.ac.nz)



*Have you have started a business in the last year—or plan to in the next 6 months?*

*Would you be willing to take part in a research project which hopes to build a greater understanding of how people new to businesses go about finding out what they need to know to set up, and run, their business.*

[Home](#)   [About the research](#)   [About Su Leslie](#)   [Taking part](#)

- Home
- **About the research**
- Taking part
- About Su Leslie

## About the research

### What is involved?

I am asking participants to take part in a face to face interview with me. I anticipate that this will last for approximately one hour and will be recorded using a digital voice recorder. I would also like permission to make a follow-up telephone call, or a further meeting if needed to clarify any point.

I do not anticipate this project taking up more than 1-1.5 hours of each participant's time in total.

### What will happen to the material collected?

The recordings will be transcribed by me and the material collected analysed (also by me) to form the basis of my research report. This will be written up and submitted to the School of Information Management at Victoria University for marking. It will also be deposited in the University Library, and I hope to use the material in one or more articles to be submitted for publication. Electronic recordings of all interviews will be deleted within two years of the end of the project unless respondents indicate they wish to take possession of the recording.

### Does the University have any policies or procedures relating to student research?

The University requires that all research involving human participants must be carried out according to ethical principles and must have prior approval from the appropriate Human Ethics Committee. This project has received ethical approval from the School of Information Management Human Ethics Committee.

### What about confidentiality?

All of the material I collect from participants will be kept confidential. It will not be possible for respondents to be identified individually. Only my supervisor, Ms. Brenda Chawner, and I will see the interview transcripts, which will be destroyed two years after the end of the project. Respondents will have the opportunity to read and comment on the transcript of their interview prior to publication of the report.

### What happens if I change my mind about being part of the study?

Should you wish to withdraw from the project, you may do so at any time before 25 April 2009.

### How do I find out more about the research and what is involved?

If you have any questions or would like to receive further information about the project, you can contact either my supervisor or me.

### Contact Details

Su Leslie  
PO Box 40  
Greenhills  
Auckland 9402

09 413 7980  
021 141 2825  
[leslesu@victoria.ac.nz](mailto:leslesu@victoria.ac.nz)

Brenda Chawner (Research Supervisor)  
[Brenda.Chawner@victoria.ac.nz](mailto:Brenda.Chawner@victoria.ac.nz)

### How do I take part?

#### I'm interested in taking part. What do I do?

Please telephone Su Leslie (09 413 7980 / 021 141 2825) or email me at: [leslesu@victoria.ac.nz](mailto:leslesu@victoria.ac.nz)



### On this page you will find information about:

[What is involved in the research](#)

[What will happen to the material collected](#)

[The University's policies and procedures relating to student research](#)

[Confidentiality?](#)

[What happens if you change my mind about being part of the study?](#)

[How to find out more?](#)

[How to take part in this research?](#)

- [Home](#)
- [About the research](#)
- [Taking part](#)
- [About Su Leslie](#)

## About Su Leslie

I graduated with an MA in Sociology in 1986, then spent almost 20 years working in marketing strategy and communications, the last 15 of them in my own business.

I remember when I first went into business, how daunting it was trying to figure out what it was that I needed to know, communicate that to someone who might be able to help—and then makes sense of, and apply, the answers I received.

Since then I have worked with a number of small businesses and found that in many cases, their experiences of starting out are similar to my own.

When I came to choose a research topic for my MLIS (Master of Library and Information Management), I knew I wanted to work in the area of small business needs. SMEs (small and medium enterprises) account for 95 percent of all businesses in New Zealand, yet there has been very little research into how owners of small businesses find the assistance they need—and even less on new businesses.

I hope my research will contribute to our understanding of businesses in this important sector of the economy and am pleased to invite you to take part.



*According to Statistics New Zealand around 60,000 new businesses started up in New Zealand in 2006 alone. Yet there has been very little research into how small—and particularly new—businesses find the help they need.*

### Contact Details

Su Leslie  
PO Box 40  
Greenhithe  
Auckland 0632

09 413 7900  
021 141 2826  
[leslesusa@myvuw.ac.nz](mailto:leslesusa@myvuw.ac.nz)

Brenda Chawner (Research Supervisor)  
[Brenda.Chawner@vuw.ac.nz](mailto:Brenda.Chawner@vuw.ac.nz)

[Home](#)   [About the research](#)   [About Su Leslie](#)   [Taking part](#)



- Home
- About the research
- Taking part
- About Su Leslie

## How do I take part in this research?

If you have gone into business in the last year, or are planning to do so within the next 6 months and you think you might be willing to take part in this study—or just want more information—please telephone Su Leslie:  
09 413 7990 or 021 141 2825  
email: [lesliesusa@myvuw.ac.nz](mailto:lesliesusa@myvuw.ac.nz)



### Contact Details

Su Leslie  
PO Box 40  
Greenhithe  
Auckland 0632

09 413 7980  
021 141 2825  
[lesliesusa@myvuw.ac.nz](mailto:lesliesusa@myvuw.ac.nz)

Brenda Chawner (Research Supervisor)  
[Brenda.Chawner@vuw.ac.nz](mailto:Brenda.Chawner@vuw.ac.nz)

[Home](#)   [About the research](#)   [About Su Leslie](#)   [Taking part](#)

## **Appendix III**

### **Information for researcher's contacts**

## Communication with researcher's contacts

As you may know, I am studying for a Masters in Library and Information Studies at Victoria University of Wellington. As part of the degree, I am carrying out a research project that looks at the way new business owners go about finding out what they need to know in order to set up, and run, their business.

I'm sure you appreciate how important having good information is to business success, and, given the relatively high rate of failure amongst new businesses, I believe it is very important to understand how people going into business for the first time decide what it is that they need to know and how they go about finding what they need. Very little research has been done in this area, and I believe that my project will make a useful contribution to our understanding of what new entrepreneurs need - and how to help them access this.

In order to do this, I would like to talk to between eight and ten individuals who have either recently (within the last 6-9 months) gone into business for themselves for the first time - or are planning to do so in the next 3-6 months.

Do you know anyone who fulfils these criteria who might be willing to take part in my research?

### **What is involved?**

Participants will be asked to take part in a face to face interview with me, which I anticipate will last for approximately one hour and will be recorded using a digital voice recorder. I will seek permission from each respondent for follow-up telephone calls, or a further meeting if needed to clarify any point, but I do not anticipate this project taking up more than 1-1.5 hours of each participant's time.

### **What will happen to the material collected?**

The tapes will be transcribed, and material analysed by me to form the basis of my research. This will be written up and submitted to the School of Information Management at Victoria University for marking. It will also be deposited in the University Library, and I hope to use the material in one or more articles to be submitted for publication.

### **What about confidentiality?**

All of the material I collect from participants will be kept confidential. It will not be possible for respondents to be identified individually. Only my supervisor, Ms. Brenda Chawner, and I will see the interview transcripts. All transcripts of the interviews will be destroyed two years after the end of the project.

**What happens if participants change their mind about being part of the study?**

If any participant feels the need to withdraw from the project, he or she may do so at any time before 15 April 2009.

**Does the University have any policies or procedures relating to student research?**

Yes. The University requires that all research involving human participants must be carried out according to ethical principals and must have prior approval from the appropriate Human Ethics Committee. This project has received ethical approval from the School of Information Management Human Ethics Committee

**How do I find out more about the research and what is involved?**

If you have any questions or would like to receive further information about the project, you can visit [http://www.vm.co.nz/bus\\_research](http://www.vm.co.nz/bus_research) or you can contact either my supervisor or me at the following:

- Su Leslie: (09) 413 7980 / 021 1412825. Email: [lesliesusa@myvuw.ac.nz](mailto:lesliesusa@myvuw.ac.nz)
- Ms. Brenda Chawner: School of Information Management at Victoria University, P O Box 600, Wellington. Telephone (04) 463 5780.

**I know someone who might be suitable and willing? What do I do?**

Please get in touch with that person, send them the URL above

([http://www.vm.co.nz/bus\\_research](http://www.vm.co.nz/bus_research)) or the information sheet I have attached for potential participants, and ask them to contact me if they are interested. Please do not give me their contact details without their express consent as this could be seen as an invasion of their privacy.

Thank you for your help.

Su Leslie  
March 2009

## Appendix IV

Research announcement in  
*The Buzz* newsletter

## Where do you go for help setting up your business?

That's the question being asked by a Victoria University Master's student looking at how new entrepreneurs find out what they need to know to set up, and run, their business.

If you've gone into business within the last 6-9 months, or plan to do so in the next 3-6 months, and you'd like to know more about this project, visit [http://www.vm.co.nz/bus\\_research](http://www.vm.co.nz/bus_research), or contact Su Leslie at [lesliesusa@myvuw.ac.nz](mailto:lesliesusa@myvuw.ac.nz)

## **Appendix V**

### **Interview Schedule**

## Interview Schedule

Respondents will be asked questions (precise wording to vary according to context of conversation) to cover the following topics.

- What questions did you have about how to go into business for yourself?
- Where did you look for help in answering those questions?
- Why did you look for help in those places?
- What problems did you encounter in finding the answers to your questions?
- What help did you get in finding answers?
- Did the answers you get to your questions help you?
- When you were setting up the business, did you find that people volunteered information they thought would be helpful to you?
- Did you find that information helpful? In the way that you expected?-



## **Appendix VI**

### **Bibliography**

# Bibliography

- Bouthillier, F. (2002-03). Access to information for small business managers: examination of some strategies and values. *The Canadian Journal of Information and Library Science*, 27(3), 5-23.
- Business Mentors New Zealand (n.d.) *Does your business qualify?* Retrieved 29 May, 2009 from <http://www.businessmentor.org.nz/>
- Case, D. O. (2007). *Looking for information. A survey of research on information seeking, needs and behavior*. San Deigo, CA: Academic Press. 2nd edition.
- Chalmers, A. (1995). *Finding out: the use of business information by managers in New Zealand*. Wellington, New Zealand: National Library of New Zealand.
- Chatman, E. (1996). The impoverished life-world of outsiders. *Journal of the American Society for Information Science*, 47, 193-206.
- Cheuk, B. (1998a). An information seeking and using process model in the workplace: a constructivist approach. *Asian Libraries*, 7(12), 375-390. DOI: 10.1108/10176749810241919
- Cheuk, B. (2008, July-Sept). Applying sense-making methodology to design knowledge management practices. *International Journal of Knowledge Management*, 4(3), 33-44. Retrieved 1 April, 2009 from ProQuest: <http://proquest.umi.com/helicon.vuw.ac.nz/pqdweb?did=1522470601&sid=1&Fmt=1&clientId=7511&RQT=309&VName=PQD>
- Chiware, E. and Dick, A. (2008). Information needs and information seeking patterns of small, medium and micro enterprises in Namibia." *Information Development*, 24(1), 24-36. DOI: 10.1177/0266666907087694
- Dalrymple, P.W. (2001). A quarter century of user-centered study. The impact of Zweizig and Dervin on LIS research. *Library & Information Science Research*, 23(2) 155-165. DOI:10.1016/S0740-8188(01)00068-8
- Dervin, B. (1976). Strategies for dealing with human information needs: Information or communication? *Journal of Broadcasting*, 20(3), 324-351.
- Dervin, B. (1992). 'From the mind's eye of the user.' The Sense-Making qualitative-quantitative methodology". In J.D. Glazier and R.R. Powell, (Eds.) *Qualitative research in information management* (pp 58-75). Englewood, CA: Libraries Unlimited.

- Dervin, B. (1997). Given a context by any other name: Methodological tools for taming the unruly beast. In Vakkari, P., Savolainen, R. & Dervin, B. (Eds.). *Information seeking in context: Proceedings of a meeting in Finland 14-16 August 1996* (pp.13-38). London: Taylor Graham.
- Dervin, B. (1999). On studying information seeking methodologically: The implications of connecting metatheory to method. *Information Processing & Management*, 35(6), 727-750. DOI:10.1016/S0306-4573(99)00023-0
- Ikoja-Odongo, R. and Ocholla, D. N. (2004). Information seeking behaviour of the informal sector entrepreneurs: The Uganda experience. *Libri*, 54(1), 54-66. Retrieved 19 July, 2008 from <http://search.ebscohost.com.helicon.vuw.ac.nz/login.aspx?direct=true&db=lxh&AN=13439032&site=ehost-live>
- Johannessen, J.A. and Kolvereid, L. (1994). Information search behaviour during business gestation. *Information Management & Computer Security*, 2(5), 31-41. DOI: 10.1108/09685229410072609
- Jorosi, B. (2006). The information needs and information seeking behaviours of SME managers in Botswana." *Libri*, 56(20), 97-107. Retrieved 19 July, 2008 from <http://vnweb.hwwilsonweb.com.helicon.vuw.ac.nz/hww/jumpstart.jhtml?recid=0bc05f7a67b1790e2cf7df03d712a1cc45cfc13c8c3c3c9e4a29cffaa379798b22f6c016c5f4e8a7&fmt=C>
- Leskovec, J., Adamic, L. & Huberman, B. (2007). *The Dynamics of Viral Marketing, April 20, 2007*. Research paper from the University of Michigan website. Retrieved 20 October, 21008 from <http://www-personal.umich.edu/~ladamic/papers/viral/viralTWeb.pdf>
- Lewis, K., Ashby M., Coetzer, A., Harris, C., & Massey, C. (2005). *Family, friends & government agencies: A report on SME's and the support infrastructure*. Wellington: New Zealand Centre for SME Research, Massey University.
- Maylor, H. and K. Blackmon (2005). *Researching Business and Management*. Basingstoke, UK: Palgrave.
- McKenzie, P. (2003a). A model of information behaviours in accounts of everyday-life information seeking. *Journal of Documentation*, 59(1), 19-40. DOI: 10.1108/00220410310457993
- McKenzie, P. (2003b). Justifying cognitive authority decisions: Discursive strategies of information. *The Library Quarterly*, 73, 261-288. Retrieved 11 January, 2009 from <http://search.ebscohost.com.helicon.vuw.ac.nz/login.aspx?direct=true&db=lxh&AN=11160738&site=ehost-live>

- Ministry of Economic Development (2008) *SMEs in New Zealand: Structure and Dynamics 2008*. Wellington, New Zealand: New Zealand Government.  
Retrieved 11 January, 2009 from [http://www.med.govt.nz/templates/MultipageDocumentPage\\_\\_\\_\\_39454.aspx](http://www.med.govt.nz/templates/MultipageDocumentPage____39454.aspx)
- Mooko, N. and Aina, L. (2007). Information Environment of Artisans in Botswana. *Libri* 57, 27-33. Retrieved 18 July, 2008 from <http://search.ebscohost.com.helicon.vuw.ac.nz/login.aspx?direct=true&db=lxh&AN=25175010&site=ehost-live>
- New Zealand Centre for SME Research* (n.d.). Retrieved 13 April 2009 from <http://sme-centre.massey.ac.nz/>
- Noble, G. and Watkins, M. (2003). So, how did Bourdieu learn to play tennis? Habitus, consciousness and habituation. *Cultural Studies*, 17(3/4), 520–538. DOI: 10.1080/0950238032000083926
- Odhiambo, F., Harrison, J. and Hepworth, M. (2003). The information needs of informal carers: An analysis of the use of the micro-moment timeline interview. *Library and Information Research*, 27(86), 19-29.
- Pickard, A. J. (2007). *Research Methods in Information*. London: Facet Publishing.
- Rickards, J., Linn, P. and Best, D. (1989). Information needs and resources of engineering firms: survey of Brisbane and the Gold Coast of Queensland. *Australasian College Libraries*, 7(2), 63-67.
- Shokane, J. (2002). Towards meeting the information needs of small- and medium-sized enterprises in Acornhoek. *Mousaion* 20(2): 34-48. Retrieved 18 July, 2008 from <http://vnweb.hwwilsonweb.com.helicon.vuw.ac.nz/hww/jumpstart.jhtml?recid=0bc05f7a67b1790e2cf7df03d712a1cc56cafeda18301de799843108a5c6d91511b8c96e86169d0b&fmt=P>
- Small Business Advisory Group (2008). *Growing Competitive SMEs. Report of the Small Business Advisory Group March 2008*. Wellington, New Zealand: New Zealand Government.  
Retrieved 17 January, 2009 from [http://www.med.govt.nz/templates/MultipageDocumentTOC\\_\\_\\_\\_34490.aspx](http://www.med.govt.nz/templates/MultipageDocumentTOC____34490.aspx)
- Solomon, P. (2002). Discovering information in context. *Annual Review of Information Science and Technology (ARIST)*, 36, 229-64.
- Statistics New Zealand (2008a). *New Zealand business demography statistics (business dynamics): February 2007*. Wellington, New Zealand: New Zealand Government. Retrieved 21 January,

2009 from <http://www.stats.govt.nz/store/2008/03/nz-business-demography-statistics-dynamics-feb07-hotp.htm>

Statistics New Zealand (2008b), *New Zealand business demography statistics: at February 2008*. Wellington, New Zealand: New Zealand Government. Retrieved 24 April, 2009 from <http://www.stats.govt.nz/products-and-services/hot-off-the-press/nz-business-demographic-statistics/NZ-business-demography-statistics-feb08-hotp.htm>

Talja, S., Tuominen, K., and Savolainen, R. (2005) 'Isms' in information science: constructivism, collectivism and constructionism. *Journal of Documentation*, 61(1), 79-101. DOI: 10.1108/00220410510578023

van Gelderen, M., Patel, P., & Fiet, J. (2007). Pre start-up problems and abandonment of nascent ventures. In *Conference proceedings: Building sustainable growth in SMEs*, Manukau City, New Zealand: Small Enterprise Conference 2007. Retrieved 2 November, 2008 from <http://sme-centre.massey.ac.nz/staff.asp?id=22>

Wallbutton, A. (2004). *Nobody's business?: business use of public libraries in Taranaki, New Zealand*. Unpublished MLIS research project, Victoria University of Wellington, Wellington, New Zealand.

Wilson, T.D. (1999). Models in information behaviour research. *Journal of Documentation*, 55(3), 249-270. DOI: 10.1108/EUM0000000007145

World Bank (2008), *Doing Business 2009*. Retrieved 11/05/098 from <http://www.doingbusiness.org/features/DB2009Report.aspx>

Word count excluding footnotes and appendices = 18,599