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STAKEHOLDER EXPERIENCES OF THE ILIMA TRUST’S COACHING AND MENTORING OF WOMEN SMALL- AND MEDIUM- ENTERPRISE OWNERS

G D van Niekerk

Research report presented in partial fulfilment of the requirements for the degree of Master of Philosophy in Management Coaching at the University of Stellenbosch

Supervisor: R Maitland

Degree of Confidentiality: A

September 2011
Declaration

By submitting this research report electronically, I, G D van Niekerk, declare that the entirety of the work contained therein is my own original work, that I am the owner of the copyright thereof (unless otherwise stated) and that I have not previously in its entirety or in part submitted it for obtaining any qualification.

G D van Niekerk

12 September 2011
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- My ILIMA Trust colleagues, who had the courage to create something unique
- The Masisizane management and SME owners
- My parents, who sacrificed so much in life for me

I thank my God and Father for His grace and love.
Abstract

Low economic growth, high unemployment and debilitating poverty pose a major threat to the social fabric of South Africa. Entrepreneurship and the establishment of small businesses play a key role in stimulating the South African economy, creating jobs, uplifting living standards and overcoming the injustices of poverty. Compared with other developing economies, South Africa (SA) has one of the lowest entrepreneurial activity rates. Women small- and medium- enterprise (SME) owners, and particularly those from previously disadvantaged socio-economic communities, play a vital role in addressing this situation.

There are a number of initiatives aimed at building the capacity of women SME owners in SA. The ILIMA Trust is one such initiative which, through its coaching and mentoring programme, supports women SME owners who come from previously disadvantaged socio-economic backgrounds, to start up and grow their enterprises. The work of the Trust is primarily focused on such women SME owners who receive financial loans from Masisizane, a sister company of the Trust. This research study aims to establish the stakeholder experiences of the ILIMA Trust’s coaching and mentoring programme of Masisizane women SME owners and to identify ways in which it can be improved.

The case study provides an in-depth description of the stakeholders’ experiences of the ILIMA Trust’s coaching and mentoring of the Masisizane SME owners. Several strengths of the coaching and mentoring programme are reported. Areas of improvement are pointed out and recommendations are made to strengthen the programme.

**Key words:**

- Stakeholder experiences
- Coaching
- Mentoring
- Disadvantaged
- Women
- SME owners
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<td>BEE</td>
<td>Black Economic Empowerment</td>
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<tr>
<td>BRAIN</td>
<td>Business Referral and Information Network</td>
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<tr>
<td>CEO</td>
<td>chief executive officer</td>
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<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
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<td>FRAIN</td>
<td>Franchise Advice and Information Network</td>
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<tr>
<td>NAMAC</td>
<td>National Co-ordinating Office for Manufacturing Advisory Centres</td>
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<td>SA</td>
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<td>SAWEN</td>
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CHAPTER 1
ORIENTATION

1.1 INTRODUCTION

South Africans face the reality of low economic growth, high unemployment and unacceptable levels of poverty. Although the real economic growth results for the first quarter of 2011 are at an improved level of 4.8 per cent, unemployment stands at 25.7 per cent (Statistics South Africa, 2011). More than 4.3 million people who form part of the potential work force do not have work and are not earning a regular income. Poverty is a major threat to South Africa’s social fabric (Landman, 2011).

Across the world, entrepreneurship and the establishment of sustainable small- and medium-enterprises (SMEs) plays a vital role in stimulating economies, uplifting living standards and overcoming the injustices of poverty. Entrepreneurship is understood to describe the activities involved in the starting of businesses based on market opportunity, as well as the growth and development thereof (Timmons, 1997).

The South African Minister of Planning, Trevor Manuel, has stated that the growth of small businesses is fundamental to achieving social equity and stability in the country (Herrington, Kew & Kew, 2010: 12). Gill Marcus, the Governor of the South African Reserve Bank, has urged South Africans to recognise the importance of small businesses to achieve economic growth (Mdluli, 2011: 12). Turning to the world at large, Vyakarnam (2009) in a report to the World Economic Forum, appeals for the entry of entrepreneurs who have the transformational capacity to help address the problems of communities trapped in poverty through the intervention of supporting entrepreneurship.

Compared with other developing countries, South Africa (SA) has amongst the lowest entrepreneurial activity rates (Von Broembsen, Wood & Herrington, 2010: 7). The failure rate of SMEs in SA is estimated to be between 70 and 80 per cent, many due to avoidable mistakes, with millions of Rands being lost in the process (Van Vuuren & Groenewald, 2007: 271). The impact of the global economic downturn is expected to have exacerbated this situation.

New business ventures are particularly needed in previously disadvantaged socio-economic communities to create employment and generate income. Given the required encouragement and support, women entrepreneurs could make a significant contribution to poverty reduction and economic growth in Africa (Bardasi, Blackden & Guzman, 2007). As it is, driven by factors such as poverty, lack of job opportunities and social welfare support, women from disadvantaged communities in SA are turning to entrepreneurship for employment as a survival strategy (Chiloane & Mayhew, 2010: 2592).
Herrington, Kew and Kew (2011) point out that male participation in entrepreneurship is 1.2 times higher than that of females. Their study shows that this ratio was 1.6 in 2008 and indicates the increased participation of women in entrepreneurship as is seen in government and other sectors of the economy.

The South African Department of Trade and Industry (DTI), however, reports that women entrepreneurs in SA are mainly active on the periphery of the economy in areas such as crafts, hawking, personal services and retail (Morgan & Ojo, 2008: 3). However, Biyase (2010) points out that in SA’s fast growing informal sector specifically, 70 per cent of the businesses are owned or controlled by women. Arenius, Minniti and Langowitz (2004: 15) list the lack of education, suitable role models and social networks as major hindrances to women entrepreneurs and argue that these women are seen to be “lacking the capacity of their male equivalents”.

Interventions, such as providing access to finance, business training and mentoring, are seen as ways to address these needs (Naudé 2004: 10). Raiz (2006: 112) and Herrington et al. (2010: 41) agree with this view and describe the critical role of encouragement, coaching and mentoring in addressing SA’s backlog in skills and experience and particularly in supporting entrepreneurship.

This research study was focused on an initiative of Old Mutual, called the ILIMA Trust (‘the Trust’), which was established in 2007. Ilima in isi-Xhosa means “we are ploughing back” and the vision of the Trust is “To make a meaningful difference by enabling people” (ILIMA Trust, 2007a:1). One of the objectives of the Trust is to build the capacity of women SME owners who come from previously disadvantaged socio-economic backgrounds to start up and grow their enterprises (ILIMA Trust, 2007a).

The ILIMA Trust’s coaching and mentoring programme for entrepreneurs is focused on women SME owners who receive financial loans from Masisizane, a sister company created by Old Mutual. Coaching is defined as a process where “question frameworks and models [are used] to help the client work out solutions to specific issues” (Stout-Rostron, 2009: 16). O’Neill (2000: 5) goes further and describes the essence of coaching as “helping leaders getting unstuck from their dilemmas and assisting them in transferring their learning into results for their organisations”.

Mentoring, on the other hand, is a process where “the mentor simply acts as an adviser, directly sharing experience, expertise, advice and wisdom with the mentee” (Stout-Rostron, 2009: 16). Klasen and Clutterbuck (2002) describe mentoring as a process where time, know-how and effort are invested by one person in order to improve another person’s knowledge and skills.

The Trust also has a relationship with the Old Mutual Foundation, which provides grants to causes that are in line with its stated objectives. Opportunities for seed funding of SMEs are presented through the Old Mutual Foundation.
The ILIMA Trust consists of associates who have provided coaching and mentoring support to entrepreneurs in eight of SA’s provinces. The associates all have more than 20 years’ experience in managing businesses. In 2010 the Trust felt it had reached a stage where it would be beneficial to examine the experiences of the stakeholders associated with the Trust’s coaching and mentoring programme, with the purpose of evaluating its effectiveness and identifying areas where improvement could be made.

It is hoped that this study will make a contribution to the body of knowledge pertaining to the effectiveness of coaching and mentoring women SME owners who come from previously disadvantaged socio-economic backgrounds.

1.2 PROBLEM STATEMENT
In South Africa, women from previously disadvantaged socio-economic backgrounds need support in starting up and growing SMEs. Coaching and mentoring are two key elements in this support process. The ILIMA Trust has provided a coaching and mentoring programme to the Masisizane women SME owners since 2007. The aim of the research recounted in this report was to determine the stakeholder experiences of the ILIMA Trust’s coaching and mentoring programme for Masisizane women SME owners and to identify ways in which the programme can be improved.

1.3 RESEARCH OBJECTIVES
The main aim of the research was to establish the stakeholder experiences of the ILIMA Trust’s coaching and mentoring programme, as provided to the Masisizane SME owners, in order to improve the programme.

1.4 RESEARCH QUESTION
The key question underlying the research was: *What are the stakeholder experiences of the ILIMA Trust’s coaching and mentoring programme as provided to the Masisizane women SME business owners?*

The sub-questions emanating from the above were:

a) What are the stakeholder perceptions and feelings regarding the programme?

b) How effective was the programme in providing SME owners with the knowledge, skills and confidence to start up and run their businesses?

c) How can the programme be improved?
1.5 CLARIFICATION OF KEY CONCEPTS

Key concepts used in this report are clarified below.

- **Stakeholder**

A stakeholder is “a person with an interest or a concern in something” (Oxford Dictionary Thesaurus, 2010: 1259).

- **Experience**

According to the Oxford Dictionary Thesaurus (2010: 440) an experience refers to having knowledge and understanding of a particular event or issue due to participation and exposure.

- **Effectiveness**

Effectiveness relates to the success, potency and helpfulness of a specific action or series of actions (Oxford Dictionary Thesaurus, 2010: 397).

- **ILIMA Trust**

The ILIMA Trust is a legal entity established by Old Mutual in 2007 with the objective of supporting key leaders in government and women who come from previous disadvantaged backgrounds and who want to start their own businesses. The isi-Xhosa word *ilima* means “we are ploughing back” (ILIMA Trust, 2007a).

- **Coaching**

Coaching is defined as a process where “question frameworks and models [are used] to help the client work out solutions to specific issues” (Stout-Rostron, 2009: 16). O’Neill (2000: 5) describes the essence of coaching as “helping leaders getting unstuck from their dilemmas and assisting them in transferring their learning into results for their organisations”. Whitmore also describes coaching as a learning activity that unlocks the potential of people – it is not teaching (Renton, 2009: 3).

- **Mentoring**

Mentoring is a process where “the mentor simply acts as an adviser, directly sharing experience, expertise, advice and wisdom with the mentee” (Stout-Rostron, 2009: 16). Renton (2009: 34) refers to the sharing of wisdom and experience, while the Oxford Dictionary Thesaurus (2010: 810) describes a mentor as an experienced and trusted adviser. Klasen and Clutterbuck (2002) describe mentoring as a process where time, know-how and effort are invested by one person in order to improve another person’s knowledge and skills.
• **Masisizane**

The Masisizane Company was created by Old Mutual in 2007 to provide low interest loans to women from disadvantaged backgrounds who wish to start and grow their businesses (Masisizane, 2007).

• **Small- and Medium-Enterprise (SME)**

An SME is any business that is independently owned and operated and which is not dominant in its field (Carland, Hoy, Boulton & Carland, 1984: 358) Small enterprises have no more than 49 staff members and a turnover of R5 million. Medium enterprises have no more than 199 staff members a turnover over of no more than R35 million and a gross asset value of no more than R6 million (Department of Trade and Industry, 2011).

• **Owner**

An owner is a person who owns or possesses something after having created, buying or receiving it with the intention to keep it (Oxford Dictionary Thesaurus, 2010: 918).

• **Programme**

The Collins Thesaurus (2002) describes a programme as a specifically arranged selection of steps or actions to be completed in a planned way, inter alia for the purpose of meeting a public need.

A programme can also be a set of actions with associated measures established to achieve a long-term aim (Oxford Dictionary Thesaurus, 2010: 1023).

• **Improve**

To improve something is to make it better, enhancing its quality or standard, or building it up (Oxford Dictionary Thesaurus, 2010: 647).

1.6 **SIGNIFICANCE OF THE STUDY**

This research report aims to improve the quality of support provided to women from previously disadvantaged backgrounds in SA and who wish to start and grow SMEs. The needs of these entrepreneurs are set out and recommendations are made as to how these needs could be addressed better by the ILIMA Trust, through the interventions of coaching and mentoring.

Benefit from this study will be gained by the ILIMA Trust, private sector foundations that perform similar work, government departments, and non-government organisations. By studying the
findings and considering possible improvements to their policy and programmes, greater effectiveness could be achieved in establishing women South African SME owners who come from previously disadvantaged backgrounds, and assisting them in going forward.

The research done to complete this report could be described as “transformative” or “emancipatory science” (Babbie, 2010: 314). It is hoped that this study will make a contribution to the knowledge base of how coaching and mentoring could support women SME owners who come from previously disadvantaged socio-economic backgrounds.

1.7 LIMITATIONS OF THE STUDY

Inherent limitations to the study lie in the fact that I, as the managing associate and a trustee of the ILIMA Trust, evaluated the programme I designed and still manage on a day-to-day basis. To counteract the inherent danger of subjectivity I asked the Chairperson of the ILIMA Board of Trustees to scrutinise my data and my conclusions. I also kept a personal journal where I recorded my observations of the respondents’ body language and thoughts during the data collection process, so that readers may develop a perspective of my own experiences.

A further limitation is that I, as a white male, interviewed black women who are the SME owners. Language, culture and background may have created barriers that inhibited the interviewees and skewed their responses. To counteract this, I asked the women SME owners if they would like a black female colleague to assist with translation. The colleague was trained before we started interviewing.

There is also an inherent danger that the women SME owners may have wanted to please me by responding in a way in which they thought I wanted them to respond, in order to retain the coaching and mentoring support of the Trust. To counter this limitation I implored them to provide their honest opinions and I gave them a letter confirming that the purpose of the research was to improve the ILIMA Trust’s coaching and mentoring programme. The letter also stated that no matter how they responded, the Trust would continue to support them.

Lastly: the findings of this study can only be applied to the women SME owners who participated as respondents. If conclusions are to be drawn in respect of a wider group of women SME owners, further research will be necessary.

It should also be noted that although the terms ‘SME owners’ and ‘entrepreneurs’ differ by definition, both terms are used in this report and are assumed to be similar.
1.8 STRUCTURE OF THE REPORT

Chapter 1 provides an introduction to the report, sets the problem statement as well as the research objectives and question. Key concepts are clarified and the significance as well as the limitations of the study are stated.

Chapter 2 presents a comprehensive literature review of the use of coaching and mentoring as interventions to support women SME owners who come from previously disadvantaged backgrounds and SME owners in general.

Chapter 3 provides an overview of the ILIMA Trust’s strategy and logic model.

Chapter 4 describes the research methodology and ethical considerations.

Chapter 5 sets out the data analysis, the interpretation, and the findings.

Chapter 6 presents the conclusions and recommendations to improve the ILIMA Trust’s coaching and mentoring programme. Broader lessons learned through this study for organisations that support women SME owners are highlighted. In closing, further areas of study are suggested.

The next chapter (Chapter 2) presents a review of the literature of the use of coaching and mentoring as interventions to support women SME owners who come from previously disadvantaged backgrounds and SME owners in general.
CHAPTER 2
LITERATURE REVIEW

2.1 INTRODUCTION

The focus of this research report is on the experiences of women SME owners in SA who come from previously disadvantaged backgrounds and who have received coaching and mentoring support from the ILIMA Trust. In order to provide a more complete understanding of the experiences of entrepreneurs, literature on entrepreneurs in general as well as on women entrepreneurs is included.

Throughout the world, more and more women are becoming SME owners. In an international study of small enterprise owners, Adler (2004) found that, in comparison to male entrepreneurs, a disproportionate number of new enterprise owners are women. Herrington et al. (2011) reported a significant increase in women owning and managing established businesses is SA. A study by Kangasharju (2000) found that, although evidence suggests that men are more likely than women to start up a venture, the gender of the entrepreneur does not seem to affect success in the long term.

Not only are women SME owners increasing in number, but their success is also evident, as revealed through the data of the Grameen Bank which was founded in Bangladesh and has granted micro-loans to 6.4 million borrowers of which 96 per cent are women entrepreneurs (Grameen Bank, 2011). Only 5 per cent of these loans are overdue more than 90 days and the bank’s write-off of loans for men is 0.67 per cent more than for women.

Entrepreneurial women share several characteristics that support their endeavours as they start up and grow their businesses. A study by Ojong (2006) of migrant women’s entrepreneurial activities in SA, found them to be particularly competitive and resourceful. Ndemo and Maina (2007) agree and identify the following other characteristics:

- strong communication skills
- well-developed people skills and intuition
- ability to build consensus
- strong nurturing and integrating skills

The effective use of relationships and networks are instrumental in helping women achieve success in their businesses. Farr-Wharton and Brunetto (2007) argue that women entrepreneurs are also able to use their relationships and networks to solve problems and share information effectively. Lerner, Brush and Hisrich (1997) agree with this view.
The following themes have been used to synthesise the information assembled in the literature study:

- The experiences of women SME owners of factors hindering their entry to entrepreneurship
- The experiences of women SME owners of factors hindering the growth of their enterprises
- The experiences of women SME owners of the use of training as an intervention to provide them with the knowledge, skills and confidence to start up and grow their enterprises
- The experiences of women SME owners of the use of coaching and mentoring as interventions to provide them with the knowledge, skills and confidence to start-up and grow their enterprises
- Legislation and agencies in SA that support entrepreneurship and the establishment of women SME owners

I reviewed the literature found under each of these themes. I will start with the experiences of women SME owners of factors hindering their entry to entrepreneurship. Mouton (2001: 91) states that a literature review should not be dated. Although some of the references are dated as far back as 1999, I have included them because of the value of the findings as well as the lack of more recent data.

2.2 WOMEN SME OWNERS’ EXPERIENCES OF FACTORS HINDERING THEIR ENTRY TO ENTREPRENEURSHIP

The barriers that confront women SME owners who come from disadvantaged socio-economic backgrounds, as they start their enterprises, are numerous and formidable. The barriers include inadequate education, a lack of business knowledge, no or limited access to finance, an absence of mentorship, the choice of product and industry, and the views of society on the role of women as care givers, as opposed to business owners. There are no easy answers for many of these barriers, as is the case for their lack of education.

Inadequate education and lacking business knowledge present a major barrier to entry for women SME owners from disadvantaged backgrounds. Studies by Naudé (2004), Joubert (2004), Hamilton and Rivera (2003) support this point. In his study of women SME owners in the informal sector of Uganda, Ikoja-Odongo (2002) found that 25 per cent of the women had never been to school and that only 25.5 per cent had completed secondary school education.

Studies by several other scholars (Boden & Nucci, 2000; Chiloane & Mayhew, 2010; Van Scheers & Radipere, 2007) also found that the lack of literacy and business knowledge affected the owners’ ability to access critical information. In their study of the SA informal sector, Jiyane and Mostert (2008) also identify the low educational levels of women SME owners as a cause for their not being able to access and understand business information sufficiently. This view is supported by
an earlier study by Joubert (2004) which found that start-up owners, in general, have trouble in scanning the environment sufficiently and in preparing convincing business cases when applying for finance.

The lack of access to start-up capital and finance presents another barrier. Joubert (2004) and Hamilton and Rivera (2003) describe the difficulties women SME owners encounter in this regard. The impact of lack of access to finance by women SME owners is highlighted in a four-year study of SME owners in Central American countries such as El Salvador, Nicaragua and Guatemala (Klinger & Schündeln, 2010). Onyishi and Agbo (2010) cite the absence of access to land, credit and capital as reasons why women do not engage more in entrepreneurship. It is also recognised that women are loath to ask for financing because they are reluctant to take responsibility for money that does not belong to them (Kaufman, 2007).

Applications for capital by new SME owners are often turned down because of the lack of business experience, as found by O’Neill and Viljoen (2001). Ironically, a study of the financing of male- and female-owned businesses in the United Kingdom shows that men access and use significantly larger amounts of capital than women and the “paucity of initial capitalisation was found to be adversely related” to business performance (Carter & Rosa, 1998).

Naudé (2004: 10) identified further significant barriers. He found that stifling government regulations, bureaucracy, absent mentorship and lack of government assistance were key hindrances. The choice of industry in which to compete and the products which would be sold were seen to place further restrictions on women SME owners.

These choices and restrictions could either be caused by an over-supply or attributed to very low margins that in turn require high volume sales. More than two decades ago Adler (1999: 5) asserted that women SME owners traditionally tended to restrict themselves to industries and products which were familiar to them and which did not necessarily attract high margins. Industries such as clothing, food and beauty were used as examples. She argued that, internationally, this was no longer the case and therefore referred to the ‘Pink Ghetto Myth’. However, in their study of small businesses in Utah in the USA, Anna, Chandler, Jansen and Mero (2000) disagreed and postulated that women indeed tend to enter fields that are familiar to them, such as services and retail. It has been the experience of the ILIMA Trust that, in SA, Masisizane women SME owners have a particular interest in focusing their businesses on the clothing, crafts and food industries where there is often an oversupply of products and low profit margins. It appears that the ‘Pink Ghetto’ may well be a reality to women SME owners in SA. A further barrier to entry for women SME owners is presented by the traditional view that the role of women is to care for their families. Further restrictions are placed on women themselves in that they do not always show sufficient confidence in their own abilities.
Cannon and Carter (1992) found that women find it difficult to start their own businesses due to the view of society that the primary role of women is that of caring for others and not to run businesses. Boohene (2010) argues that women’s qualities of selflessness, concern for others and the community at large reduce their self-confidence and assertiveness to be business owners. The same study concludes that women may see themselves as being less entrepreneurial compared to men. Brindley (2005) agrees and argues that the perceived lack of confidence and higher risk-averseness among women entrepreneurs may affect their ability to grasp opportunities to start and grow their businesses.

Despite the evidence provided above it is argued that women are indeed overcoming the many obstacles they face. Herrington et al. (2010) report an increase in positive self-perceptions of women relating to their knowledge and capabilities as entrepreneurs. In a subsequent report, Herrington et al. (2011) furthermore record an increase in positive self-perceptions of women relating to their knowledge and capabilities as entrepreneurs.

A study of the Association of European Chambers of Commerce and Industry (Arens, 2004: 5–9) of women business owners in 25 countries including Hungary, Poland and Cyprus, shows that despite having partners (76 per cent of the respondents) and children (74 per cent) the women entrepreneurs were able to balance the pressures of work and home successfully. On average, more than 60 per cent of these women spent 48 hours a week at work. Demartino and Barbato (2003) confirm the ability of women in business to balance the pressures of work and home responsibilities.

Once women SME owners have started their businesses, they encounter various hindrances in growing their enterprises. These challenges are discussed in the next section.

**2.3 WOMEN SME OWNERS’ EXPERIENCES OF FACTORS HINDERING THE GROWTH OF THEIR ENTERPRISES**

I will first describe the barriers SME owners in general have to cope with and then those encountered by women SME owners specifically. Hindrances such as a lack of managerial experience, a lack of demand for small enterprise products, the need for encouragement and self-belief and the absence of role models are discussed.

The lack of sufficient managerial experience and background, as well as investment in the development of their capabilities, is a major barrier to growth for SME owners in general. A study of SMEs in Botswana by Pansiri and Temtine (2008) identified the managerial abilities of SME owners as a critical weakness and pointed to the lack of training and development of staff. Kent, Dennis and Tanton (2003) agree and specifically refer to the lack of on-the-job training within the SMEs, which affects the technical skills, customer service and sales capabilities of the enterprises.
Similarly, a study by the United Nations Industrial Development Organisation divulges that SME owners do little to invest in growing their own technological knowledge and skills (Jiyane & Mostert, 2008).

The lack of markets for SME products has been discussed as a major barrier to entry in the previous section (see 2.2). The same restriction applies to the growth of established SMEs. Studies by Naudé (2004) as well as O’Neill and Viljoen (2001) identify uncompetitive behaviour from established companies, which renders SME product sales unprofitable, as a significant threat to owners. The ILIMA Trust has found this to be particularly true as the buyers from large retailers endeavour to source products at the lowest cost possible, which in turn renders SME products unprofitable.

In addition, a study by Kangasharju (2000) identifies the lack of demand of a small enterprise’s products as a major external determinant of success and failure. The same author also comments on the market actions of larger competitors to block the sales of SMEs seeking growth through, for instance, price wars.

The impact of a perceived lack of self-confidence among new SME owners, as discussed under section 2.2, has a similar negative effect on the owners of established SMEs. The lack of self-belief, as well as the need for greater encouragement from others, was identified as major inhibitors of entrepreneurial performance (Van Wyk, 2009).

Other negating factors on SME performance are the lack of involvement of owners in their businesses, the need for role models and for effective time management, as identified in a study by Van Vuuren and Groenewald (2007). The ILIMA Trust found that the lack of entrepreneurial role models in the rural areas of SA was particular inhibiting factor for SME owners to persevere with their businesses.

I now turn to the category of factors that impact negatively on women owners’ success specifically, as they attempt to grow their businesses. The lack of access to finance, as discussed under section 2.2 above, also has a stifling effect on established SMEs. Chiloane and Mayhew (2010) found that the lack of collateral and access to finance plays a major part in inhibiting the growth of SMEs. Similarly, in a study of women SME owners in Nigeria, Halkias, Nwajiuba and Caracatsanis (2009) concluded that owners’ main hurdle to grow their enterprises was that of accessing capital and securing credit.

Related to the lack of finance is the inability of women SME owners to manage and control their costs. This is demonstrated in a case study by Hamilton and Rivera (2003) who found that the escalation in costs of struggling enterprises was related to factors such as establishing locations, buying infrastructure as well as the ineffective preparation of business plans. Huang and Brown
(1999), on the other hand, attribute the lack of finance to problems encountered with the lack of sales and marketing and argue that ineffective market research and product promotion is counted among the most frequent problems of struggling businesses.

A further barrier to growth for established SMEs is found in the lack of practical business knowledge and ineffective business information, as used by women SME owners. This is highlighted in a study by Botha, Nieman and Van Vuuren (2007) who found that the lack of proper record keeping kept owners from the effective administration of their enterprises. The ILIMA Trust has found that basic practices of keeping record of sales and expenses or ‘money in’ and ‘money out’ need to be taught.

The impact of the lack of proper records and the inability of women SME owners to evaluate their businesses and take corrective action timeously, is also shown in a study by Joubert (2004). In addition, Cannon and Carter (1992) found that women entrepreneurs rely too much on informal sources of information.

The isolation and loneliness of women entrepreneurs has been a concern for the ILIMA Trust for some time. This is particularly true of entrepreneurs working in rural areas. This observation is highlighted by Chiloane and Mayhew (2010) who describe how vulnerable women entrepreneurs are to social problems like crime, and abuse and violence. Winn (2004) agrees and highlights the high divorce rate among women entrepreneurs, which could mean that they tend to carry the burden of their enterprises alone without having the opportunity to discuss opportunities and problems with their spouses. Cannon and Carter (1992) support the above-mentioned findings and identify the difficulty women SME have in gaining entry to male social networks.

As shown in section 2.2, risk-averseness creates hindrances for women SME owners. The impact of their fear of taking risks is demonstrated by Chiloane and Mayhew (2010) as well as by Alese (2010: 3348), who attributes the cautious nature of women entrepreneurs to the “multiple roles in the family as home makers”. The ILIMA Trust has found that women SME owners who apply for funding wish to avoid the risk of lending money and that they tend to expect money to be made available on a grant basis.

There are varying points of view on the ability of women SME owners to persevere in business. Carter, Williams and Reynolds (1997) found that women entrepreneurs are more likely to discontinue their businesses ventures than men are. They attribute this to several factors, including the following:

- family commitments that take higher priority
- lack of experience in running businesses
- lack of knowledge of the market in which they operate
lack of support from related businesses in identifying growth opportunities, as also found by Cantzler and Leijon (2007)

In contrast to the above, the former CEO of Business Partners in SA, Jo Schwenke (Herrington et al., 2011: 24) notes that his organisation found that women entrepreneurs presented less risk than men and higher rates of success than male entrepreneurs did. This view is confirmed in a separate study in Nigeria by Halkias, Nwajiuba, Harkiolakis and Caracatsanis (2011). Bardasi et al. (2007), in their study of enterprises in Africa, found that once businesses are in operation, there are no significant differences in performance and productivity, whether the businesses are owned by males or females.

Having described the literature relating to the experiences of women SME owners of factors affecting their abilities to start up and grow their enterprises, I will now review the literature relating to women SME owners’ experiences of the use of training as an intervention, to address their needs.

2.4 WOMEN SME OWNERS’ EXPERIENCES OF THE USE OF TRAINING AS AN INTERVENTION TO PROVIDE THEM WITH THE KNOWLEDGE, SKILLS AND CONFIDENCE TO START UP AND GROW THEIR ENTERPRISES

In this section, I review the experiences of women SME owners of training as an intervention to provide them with the knowledge, skills and confidence to start up and grow their enterprises. There is no doubt that both education and business training provide a solid platform for SME owners to build their enterprises.

This view is confirmed by a four-year study of SME owners in Central American countries such as El Salvador, Nicaragua and Guatemala by Klinger and Schündeln (2010) which shows that business training significantly increases the probability that SMEs are started up and expanded successfully. Wilson (2009) arrived at a similar finding and emphasises the important role of education for the development of successful entrepreneurial ecosystems.

Chiloane and Mayhew (2010: 2600) concur, but point out that previously disadvantaged women entrepreneurs in SA have difficulty in accessing training provided by the government’s Small Enterprise Development Agency (SEDA). The training is found to be limited and women aged 30 and above have difficulty in getting to training venues due to the large distances they have to travel. The dependency of these women on public transport is also highlighted. Perren (2003: 517) agrees and emphasises the requirement of entrepreneurs for “flexible, learner-centred support”. The ILIMA Trust’s experience in this regard is that the Masisizane women SME owners in rural areas often do not have their own transport and that they do not have the money to travel to major centres by taxi.
The SME owners require training that covers a wide spectrum of business issues. Studies by Botha et al. (2007) as well as Van der Merwe and Nieman (2003) found that formal business training of women owners is required in aspects such as conducting market research, identifying business and market opportunities, compiling business plans, marketing and advertising, financial and cash flow planning, tax and risk management. The same authors recommend that the training be combined with mentoring and after-care.

Nieman (2001), however, holds that the training given to SME owners in SA needs to be less conventional in approach and more entrepreneurial. The ILIMA Trust associates found that this was particularly true in that learning content obtained from the typical business school environment ought to be adapted to the specific and practical needs of SME owners.

Van Vuuren and Nieman (1999) also contend that the training of entrepreneurs should be tailored according to the specific stages of growth in which the enterprises find themselves. Stages such as incubation, infancy, breakthrough and maturity are identified.

The use of formal training as an intervention, however, does not present a perfect answer to the needs of women SME owners. The reinforcement of training in practical work situations, mentoring and empathetic personal care is required. This is shown in a study by Raffo, Lovatt, Banks and O’Connor (2000), which cites the views of entrepreneurs that formal training is often de-contextualised and too abstract to meet their needs. The lack of empathy of trainers is also highlighted and a strong preference for mentorship in real work situations is identified. In the following section, I review the literature on the use of coaching and mentoring as an intervention to support women entrepreneurs.

2.5 WOMEN SME OWNERS’ EXPERIENCES OF THE USE OF COACHING AND MENTORING AS INTERVENTIONS TO PROVIDE THEM WITH THE KNOWLEDGE, SKILLS AND CONFIDENCE TO START UP AND GROW THEIR ENTERPRISES

This section deals with the use of coaching and mentoring as interventions to assist women SME owners in obtaining the necessary capabilities to start and grow their businesses. Data relating to the experiences of entrepreneurs in general is presented and the difference between coaching and mentoring is clarified in this section.

The synergistic power of education, training and coaching in establishing women SME owners is recognised in ILIMA Trust’s approach. The intervention and approach, however, needs to be tailored to meet the needs of individuals. This view is substantiated by Kent et al. (2003) who argue that coaching and mentoring play an important role in SME owner development. Their findings show that time away from their business is a major problem for owners and that one-on-one
development is preferred. Kent et al. (2003) cite the work of Parker and Byron (2000) which shows that SME owners prefer informal, face-to-face development.

In contrast to using formal training as the only intervention, the ILIMA Trust works from the premise that entrepreneurs learn best by experimenting with ideas in their work settings, reflection, and networking with others. A study by Deakins and Freel (1996, as cited in Sullivan, 2000) supports this view and emphasises the importance of mentoring as a learning intervention. The study also shows that entrepreneurs learn best through experiences and reflecting on critical incidences.

It is vital that learning interventions be shaped according to the SME owners’ learning styles. Several authors (Kolb, 2005; Mumford, 1995; Stout-Rostron, 2009) underline this point in order to achieve optimum learning effectiveness. Mumford (1995: 4–7) discusses four learning styles (activist, reflector, theorist, pragmatist) and proposes that entrepreneurs are largely activists. Kayes, Kayes and Kolb (2005) set out the principles of team learning to strengthen team competencies which could apply to entrepreneurs who work together in teams, e.g. in cooperatives.

In the following section, I review the literature on the use of mentoring as an intervention to grow the capabilities of women SME owners. Mentoring is understood as a process where “the mentor simply acts as an adviser, directly sharing experience, expertise, advice and wisdom with the mentee” (Stout-Rostron, 2009: 16). It could also be described as a process where time, expertise and effort are invested by one person in order to improve another person’s knowledge and skills (Klasen & Clutterbuck, 2002).

2.5.1 Mentoring as an intervention

The use of mentoring as an intervention to share knowledge and experience in a practical way is vital to the development of women SME owners. This view is supported by Nkhensani Nkosi, founder and creative directive director of Stoned Cherrie, one of SA’s iconic fashion brands, who advises aspirant entrepreneurs to surround themselves with mentors and experts in the fields they know little about. She encourages SME owners to be humble and not to be afraid to admit that they need help (Finley, 2010). Wendy Luhabe, founding member of WIPHOLD and a pioneer woman entrepreneur in SA, concurs and advises aspirant entrepreneurs to “ask for advice, seek out mentors and, above all, to persevere” (2010: 96).

Several sources propose the use of mentoring as a way to encourage entrepreneurs. A study by Sullivan (2000) advocates the use of mentoring and particularly reflection to support the learning of entrepreneurs in their work situations. A report to the World Economic Forum (Tranchet & Rienstra, 2009: 144) recommends the use of mentoring as an integral part of the “entrepreneurial ecosystem”. In addition, the findings of a study by Van Vuuren and Groenewald (2007: 272)
recommend the use of mentors to help “remove stumbling blocks, encourage next steps and the development of new ideas”. Sullivan (2000: 172) goes on to question the relevance of “volume driven small business training programmes” and proposes the use of mentoring to bring long-term benefits to entrepreneurs by facilitating the learning of new skills and knowledge.

Mentoring produces high mentee satisfaction, sustainable results and enduring relationships. This was found in a year-long study by Kent et al. (2003: 446) which shows mentee satisfaction ratings of between 70 and 80 per cent. The sustainable benefit of mentoring is also highlighted in a study by Bisk (2002) which shows that mentees maintained contact with their mentors beyond the period of formal engagement, without compensation necessarily being involved.

The benefits of mentoring are numerous, as found in several studies. Sullivan (2000: 167) argues that mentoring provides new entrepreneurs with the ‘tools’ to succeed in the critical start-up phases of the enterprises. Deakins and Freel (1998, as cited in Sullivan, 2000), found that in both the start-up and the maturing phase of their enterprises entrepreneurs experience particular value from mentoring in achieving their objectives, increasing their ability to learn and helping them cope with problems.

Regarding the qualities of good mentors, Lawndes (2008: 38) describes them as being empathetic and having experience of starting and managing a business. O’Dwyer and Ryan (2000) highlight the importance of the mentor’s ability to operate at the same level as the mentee. Bisk (2002) found that mentors did not need to have experience of the sector of the economy in which the mentee was operating. Kent et al. (2003), however, differ on this view and found that mentees often seek specific industry-related input. The same authors found that mentors need to be patient and empathetic in their approach.

SME owners frequently interact with bank managers on the viability of their enterprises. An interesting point in this regard is raised by Atterton (1995), who questions the value these managers bring when providing advice on running enterprises. The author argues that these managers do not necessarily have the required background, skills and attitude to mentor entrepreneurs.

Caution should, however, be exercised when implementing mentoring programmes. Deakins, Graham, Sullivan and Whittam (1997) warn against forcing the pairing of mentors and mentees. Van Vuuren and Groenewald (2007: 272) agree and warn that mentors should not be perceived as being too successful by their prospective mentees and that an easy but strong identification of mentees with mentors should exist.

Kent et al. (2003) highlight the flexibility of various mentoring methods by providing the following examples:

Student No. 10455795
• Formal or informal mentoring can take place.
• It can be carried out internally, that is, within the business, and be conducted by seniors or peers.
• It can be provided externally by independent mentors.
• Mentoring can take place face-to-face or by email.

The ILIMA Trust has found that telephones and emails could be used creatively to communicate quickly with SME owners at little cost. This experience is borne out by a study by Perren (2003: 517) who cites evidence of the use of electronic communication media to conduct ‘E-mentoring’ to meet the entrepreneurial requirements for flexible, learner-centred support. This study found that use of the telephone, email, the Internet and any non-face-to-face approach made mentoring more accessible to entrepreneurs. Peren, however, emphasises that E-mentoring can only be seen as a supplement to face-to-face mentoring. In the same vein Marshall (2001) reports the use of an on-line mentor programme to match mentors to women mentees, based on specific requests and competencies.

Turning to the mentoring of women specifically, the literature study divulged the following:

Mentoring as an intervention is recommended by Jo Haigh, who assists women SME owners in raising finance and growing their businesses. She describes the loneliness of working in a man’s world (Lawndes, 2008: 37), but adds: “You may be struggling with something but talking it over with a mentor can give a fresh pair of eyes” (2008: 38).

Mentorship can, however, not be seen as an easy answer to all needs. Several barriers to successful mentoring need to be considered. A study by Stone and Coetzee (2005: 33–39) highlights the difficulties women in large organisations encounter when seeking mentorship. These include the following:

• the difficulty in finding good mentors
• the lack of suitable female mentors
• exclusion from male-dominated networks
• prejudice and discrimination against women
• misinterpretation of sexual boundaries in cross-gender relationships
• lack of experience in forming and sustaining mentorship relationships

One respondent in the same study (Stone & Coetzee, 2005: 35) claimed that “male mentors simply don’t understand what it means to be a female protégé in the work place ..."
Stone and Coetzee recommend the following interventions to overcome these barriers:

- the establishment of formal mentoring programmes for women mentees
- the creation of formal registers of potential mentees and mentors
- the creation of opportunities for mentees to meet mentors
- formal training programmes to reduce cross-gender barriers
- mentoring processes and programmes to be open and transparent with specific guidelines on how to deal with cross-gender issues

In addition, Hurley and Fagenson-Eland (1996) suggest that mentors and mentees keep journals to help them track progress and problems. This will help managers of the mentoring programme to deal with any issues that may develop.

The value of mentoring is clear, as stated by Sullivan (2000: 163) who describes the value of mentoring as providing the entrepreneur with the opportunity to “reflect and learn from actions” as well as “perhaps, modify future actions […] to enable behavioural and attitudinal change”. The ILIMA Trust has found that similar experiences and results are achieved through the intervention of coaching, as discussed in the next section.

2.5.2 Coaching as an intervention

In this section, I describe the literature found on the use of coaching as an intervention to support women entrepreneurs. Literature on coaching entrepreneurs in general and women in leadership positions is also cited. Coaching is defined as a process where “question frameworks and models [are used] to help the client work out solutions to specific issues” (Stout-Rostron, 2009: 16).

The ILIMA Trust has gained substantial value out of using coaching as an intervention to develop women SME owners. This experience is supported by a study by Adler (2004: 38) which describes the value of coaching as allowing women entrepreneurs “to offer profound and wise counsel to themselves” and to deal with the issues they are uncertain about. Adler also highlights the value of exploring alternatives and challenging existing thinking in a private, supportive environment. In a study of women entrepreneurs in India, Aggarwal (1997) identifies the most useful contributions of coaching as:

- guiding SME owners to make sound decisions regarding the enterprises they choose to start;
- accessing the required information to run their businesses;
- determining and evaluating options to make decisions;
- obtaining government support and particularly financing;
- formulating tenders and selling products to government; and
- ensuring that on-going family support is provided.
A study of disadvantaged women in the United Kingdom (Bardoul, 2006: 2–5) over two years found that 62 per cent of the respondents rated coaching as being most beneficial in contrast to the 14.5 per cent who rated training as most beneficial. Other results were:

- Sixty-nine new business were started with an average success rate of 4 in 10 compared to a national average of 1 in 10.
- The benefits of coaching were identified as confidence building, greater focus and clarity, motivation, positive thinking, continuous support, holistic consideration of work and personal issues, and discovering hidden strengths.
- Personal changes experienced because of coaching received included motivation and perseverance to run the businesses, thinking creatively, personal growth, increased self-worth and self-esteem, and positive outlook on life.

The study noted that the coaching was designed around the needs of the entrepreneurs and that the impact of the coaching was sustainable.

Literature on the coaching of women in leadership positions reveals that women have unique coaching needs as they strive to advance in organisations (Leimon, Moscovici & Goodier, 2011: 40–41). They expressed the following needs: learning to nurture, maintain and use networks of relationships to overcome the isolation experienced in male-dominated environments; finding role models to guide them through the complex environment in which they find themselves; developing the confidence and inner belief that situations can be influenced and difficulties overcome; and learning what their strengths are and how these can be used to fulfil their personal potential.

Leimon et al. (2011: 108) identified some pertinent implications for coaching women to lead, namely:

- that women experience the world of work very differently to men;
- that coaches need to be aware of what it is like to be a woman operating in a male-dominated environment;
- that women will encounter unconscious gender bias in their dealings with men;
- that women, more than men, can feel very lonely and unsure of whom they can trust;
- that women may struggle to make choices that fit their personal value systems; and
- that women need to be willing to act as role models for other women.

The same authors make the point that coaches should address the areas that are more important to women leaders than they are to men, rather than striving to help these women to fit into a man’s world (Leimon et al., 2011: 201).
As mentioned in section 2.5.1, technology can be used to respond to the need for the coaching of entrepreneurial women from rural backgrounds and to avoid the inconvenience of having to travel long distances. Examples are the use of the Internet and the medium of SKYPE or free Voice-Over IP, as cited by Morgan and Ojo (2008) where the effective use of this medium to provide coaching to women in rural areas is reported.

The use of technology to support either coaching or mentoring, however, needs to take into account the accessibility of hardware and networks to SME owners. The use of this technology by SME owners in urban areas is a real possibility while there will be challenges for rural SME owners.

Another way of addressing the coaching needs of SME owners who work together, e.g. in cooperatives, is that of peer coaching. Maitland (2006) found that peer coaching presents clear benefits to colleagues who work together in peer groups. This approach could be particularly valuable to entrepreneurs who are not in close proximity to their coaches because they live in rural areas.

Turning to the differences between coaching and mentoring, the associates in the ILIMA Trust have been trained to coach by predominantly using questions, testing understanding, reflecting what is seen and observed and to share information to help SME owners arrive at their own conclusions and answers. When mentoring, on the other hand, the associates mainly provide advice, share experience and expertise to impart knowledge to SME owners.

In concluding this review of literature relating to the use of coaching and mentoring as ways of supporting SME owners who come from previously disadvantaged backgrounds, it is worthwhile to note the appeal from Rae and Carswell (2001) that in addressing the learning needs of entrepreneurs the areas of personal development, social skills and business development should receive attention. These authors suggest that coaching and mentoring, in combination with education and training, provide the ideal combination of interventions to meet these needs.

In the following section of this literature review the legislation and supporting structures to encourage entrepreneurship in SA is presented.

2.6 LEGISLATION AND AGENCIES IN SA THAT SUPPORT ENTREPRENEURSHIP AND THE ESTABLISHMENT OF WOMEN SME OWNERS

The increase of women SME owners in SA, as reported in 1.1, is ascribed by Herrington et al. (2011) to the improved support provided by the SA government. A brief overview of legislation and supporting agencies in SA is described in this section. Two Acts of government are of significance:
The National Small Business Act (Republic of South Africa, 1996), which provides for the establishment of the National Small Business Council and the Ntsika Entrepreneurial Promotion Agency. The Act also provides guidelines for organs of state to promote small business in SA.

The National Small Business Amendment Act (Republic of South Africa, 2003), which provides for the establishment of an Advisory Board and Agency representing the interests of small business.

A proliferation of small business development agencies exist, which include:

- Ntsika, which provides support services to SMEs
- Business Partners (previously the Small Business Development Corporation)
- The Business Referral and Information Network (BRAIN)
- The Franchise Advice and Information Network (FRAIN)
- The Isivande Women’s Fund established by the Department of Trade and Industry (DTI)
- The National Co-ordinating Office for Manufacturing Advisory Centres (NAMAC)
- The Small Enterprise Development Agency (SEDA)
- The South African Women Entrepreneurs Network (SAWEN)
- The Black Economic Empowerment Commission
- Khula, which offers financial support mechanisms to SMEs
- Umsobomvo Youth Fund

There are several other initiatives that support this cause, such as the following:

- The Allan Gray Fellowship Programme
- The INVESTEC Student Mentorship Programme
- The South African Breweries ‘Kickstart’ Programme
- The South African Incubator Programme
- Masisizane
- Women Enterprise Development Initiative
- Women in Business, sponsored by First National Bank
- Women in Finance

This concludes the brief overview of legislation and supporting agencies enabling entrepreneurship and the establishment of women entrepreneurs in SA.

The literature review has revealed information in the following areas:

- The experiences of women SME owners of factors hindering their entry to entrepreneurship
• The experiences of women SME owners of factors hindering the growth of their enterprises
• The experiences of women SME owners of the use of training as an intervention to provide them with the knowledge, skills and confidence to start up and grow their enterprises
• The experiences of women SME owners of the use of coaching and mentoring as interventions to provide them with the knowledge, skills and confidence to start up and grow their enterprises

In addition, a brief review of supporting legislation and agencies in SA regarding entrepreneurship and the establishment of women SME owners has been provided.

In the following chapter (Chapter 3), I describe how the ILIMA Trust endeavours to support women SME owners who come from previously disadvantaged backgrounds through its strategy and business or logic model.
CHAPTER 3
RESEARCH METHODOLOGY AND ETHICS

3.1 INTRODUCTION
This chapter sets out the research approach and instruments that were used to collect and analyse the data. Steps taken to ensure the scientific validity and reliability in the research process are also explained. Topics of research design, data collection, data analysis as well as the ethical considerations are presented.

This study falls within the social studies discipline and focuses on the development of human resources in SA. Research was done on the experiences of the stakeholders of the ILIMA Trust’s coaching and mentoring programme of Masiszane SME owners, in order to identify trends in similarities and differences. Babbie and Mouton (2009: 48) describe this as the phenomenological approach. In the study the focus is on the differences that were observed, interpretations are reported and conclusions are made in order to “give meaning” to phenomena (Babbie & Mouton, 2009: 28).

The conclusions made are, however, specific to this study only and cannot be generalised. The approach followed is therefore of an idiographic nature, which Babbie and Mouton (2009: 272) describe as a research strategy where the study is “solely interested in understanding the particular or specific event or case within its own context”.

3.2 RESEARCH DESIGN
This research study is described as a case study. According to Babbie and Mouton (2009: 281), the distinctive characteristic of a case study is its focus, and the emphasis is on a “single unit.” The unit of analysis of the research study was the ILIMA Trust’s coaching and mentoring programme as delivered to the Masisizane SME owners.

Mouton (2001: 149) states that case studies are “usually qualitative in nature and that they aim to provide an in-depth description of a small number (less than 50) of cases”. I selected a qualitative study to enable me to understand the inside perspectives of the stakeholders on their experiences as well as the meaning of these experiences. Welman, Kruger and Mitchell (2008: 9) describe the design of qualitative research as emphasising the “process and meaning” without rigorous measurement of “quantity, amount and frequency”. No quantitative or rigorous measurement was applied in this study.

An in-depth description of the experiences of stakeholders of the ILIMA Trust’s coaching and mentoring of women SME owners, who come from previously disadvantaged backgrounds, is set out in this study. Twenty stakeholders participated in this study.
As set out in the previous chapter, the study includes a logic model to demonstrate the relationships between the programme components such as the objectives, activities and outcomes. The logic model also contributed to developing internal and external validity in the case study (Yin, 2009: 149). According to Robson (2002), validity refers to the accuracy of the result of the measurement.

The research was empirical in that new data (Babbie & Mouton, 2009: 641) relating to stakeholders’ experiences of the coaching and mentoring of the Masisizane women SME owners was observed. In essence, the research was done to describe and evaluate the effectiveness of the programme with the purpose of improving the programme.

This study could therefore be defined as evaluation research. Evaluation research, according to Rossi, Lipsey and Freeman (2004: 2), is conducted for various reasons, which include improving the effectiveness of a programme, its management and administration. This description of intent fits exactly with the purpose of this study.

Posavac and Carey (2003: 7) identify four types of evaluation studies: (1) the evaluation of need; (2) the evaluation of process; (3) the evaluation of outcome; and (4) the evaluation of efficiency. This study was aimed at evaluating the outcome of the ILIMA Trust’s coaching and mentoring programme with the purpose of improving it and making a sustainable difference to the lives of previously disadvantaged people.

### 3.3 SAMPLING AND DATA COLLECTION

Mouton (2001: 100) states that researchers should determine whether data will be collected from the "complete population or from a sample of 'subjects'". I have chosen to include the following respondents in this study:

- The complete population of 15 Masisizane women SME owners who come from previously disadvantaged socio-economic backgrounds and who have been coached and mentored by the Trust, were since its inception, i.e. in 2007
- The complete population of five ILIMA associates who provided the coaching and mentoring

Primary data was collected through the use of semi-structured interviews with the respondents. The semi-structured interview consists of a group of planned questions followed by “probes designed to obtain additional, clarifying information” (Leedy, 1997: 199). The flexibility of semi-structured interviews makes it possible to clarify questions and responses as well as to elaborate in order to ensure proper understanding (Babbie, Mouton, Vorster & Prozesky, 2001; Welman et al., 2008).
To ensure clarity and precision, the planned questions were carefully worded, tested and refined. The questions are recorded in the interview guides (see Appendix C). To ensure reliability of data the same interview guides were used for all SME owners. The same discipline applied for the interviews with the ILIMA associates. According to Robson (2002), reliability refers to the consistency of the measurement applied.

The follow-up questions allowed me to probe the perceptions and experiences of the respondents in depth and to sense what they were not saying. The observations made of body language and what I sensed during the interviews were recorded in my field notes (see Appendix D). I used these observations to enrich my findings and to enable readers of this study to share my experiences.

The purpose of the interviews was to obtain information on the experiences of the respondents on the coaching and mentoring done by the ILIMA Trust and to inform the research questions as recorded in 1.4. To enhance the validity of data collected and to put the interviewees at ease as much as possible, the interviews were done face-to-face in their work settings. The interviews were done on an individual basis and in groups, as was the case where the owners of co-operatives requested that they be interviewed together. All the interviews were recorded electronically to ensure data reliability. The interviews were conducted in the period between 4 April and 16 May 2011. This study is of a cross-sectional nature, recording the experiences and recommendations of the respondents at a single point in time (Babbie & Mouton, 2009: 641).

The SME owners were located in four of South Africa’s provinces. Several of the women SME owners in this study had limited education and no business knowledge when they joined the coaching and mentoring programme. Eight of the 15 women in the study had a Grade 10 or lower level of education and only two owners had tertiary education at Diploma level (see Appendix E). Three SME owners had had business experience before starting their own businesses.

In 1.7 the limitation is recognised that I, a white male, interviewed black women SME owners whose home languages, cultures and backgrounds differ. To safeguard the validity of the data and ensure that the respondents were not unduly inhibited, or that responses were skewed, I asked the women SME owners if they wanted a lady from their culture to assist with translation. Only one group of co-operative owners, who operated in a rural area, made use of this option. Six of the eight interviews were done in Afrikaans as this was the preferred language of the SME owners involved.

Data validity was also influenced by the fact that SME owners may have wanted to please me by responding in a way in which they thought I wanted them to respond, in order to retain the coaching and mentoring support of the Trust. To counter this limitation, I implored them to provide their honest opinions and I gave them an information letter confirming that the purpose of the
research was to improve the ILIMA Trust’s coaching and mentoring programme. The letter also stated that, no matter how they responded, they would continue to be supported by the Trust (see Appendix A).

To enhance the reliability and validity of the study the field notes (Appendix D) mentioned above are also included in this report. The intent is to create maximum transparency in terms of what I observed and experienced. Another step taken to validate the data gathered was to compare the experiences of the SME owners and the associates.

3.4 DATA ANALYSIS

Under 3.2 above it was stated that the design classification was empirical in that new data relating to the stakeholders’ experiences of the coaching and mentoring of the Masisizane women SME owners was observed. Using the ATLAS.ti qualitative data analysis programme, the following steps were followed as set out by Henning, Van Rensburg and Smit (2004: 104–109).

I read the transcriptions and proceeded as follows:

- General notes were made of what the respondents were saying in relation to the research questions.
- Open or level one coding was applied.
- Meaning was attached to the codes (level two).
- Categories were refined into ‘families and members’.
- Emerging themes or ‘clans’ were identified.
- Patterns, relations and trends were established.
- Exceptions were clarified.
- Findings were verified.

This approach is in line with that of Welman et al. (2009) who state that the identification of recurring patterns and consistent themes are fundamental to data analysis in case studies. A list of the codes used in the data analysis is provided in Appendix F. The codes were determined with the use of the research question (see 1.4). A list of the themes that emerged from the data analysis is provided in Appendix G.

It is noted that an inherent limitation to the validity of the analysis lies in the fact that I, as the managing associate of the ILIMA Trust, completed the data analysis to evaluate the programme I designed. To counteract the inherent danger of subjectivity I asked the Chairperson of the ILIMA Board of Trustees to scrutinise my data and my conclusions.
3.5 ETHICAL CONSIDERATIONS

It is anticipated that this study will not have any negative effect on any of the respondents. The principles of informed consent, voluntary participation and anonymity (Babbie & Mouton, 2009: 521–525) were adhered to.

Particular care was to taken to inform the respondents in the study that whatever their responses to the questions were, the ILIMA Trust would continue to support them through the coaching and mentoring programme. This undertaking was made verbally and confirmed in an information letter that was handed to them (see Appendix A).

The principle of informed consent was supported by the information letter, which explained the purpose of the research and stated that participation was voluntary. Respondents also signed an informed consent form confirming that they participated in the research on a voluntary basis (see Appendix B).

The anonymity of respondents was guaranteed. The data of the study is stored in a safe to which only I have access.

A further ethical consideration of this study is that one of the aims is to improve the ILIMA Trust’s coaching and mentoring programme for the Masisizane Women SME owners. These women all come from previously disadvantaged socio-economic backgrounds. As stated in section 1.7, this research could be described as “transformative” or “emancipatory science” (Babbie, 2010: 314). It is hoped that this study will benefit the Masisizane Women SME owners, as well as other organisations that support women SME owners who come from similar circumstances. By receiving improved support, in the form of coaching and mentoring, the women could improve their ability to overcome their restrictions and transform their business visions into reality.

3.6 CONCLUSION

The research approach and instruments used to collect and analyse data in this study were reviewed in this chapter. Steps taken to ensure the scientific validity and reliability in the research process were also explained. Topics presented were those of research design, data collection, data analysis as well as the ethical considerations. In the following chapter (Chapter 4) the strategy and operations of the ILIMA Trust will be explained.
CHAPTER 4
ILIMA TRUST STRATEGY AND LOGIC MODEL

4.1 INTRODUCTION
This chapter sets out the background to the creation of the ILIMA Trust, its strategies and its stakeholders. A logic model is then presented to explain how the vision and goals are achieved through the actions (Babbie & Mouton, 2009: 343; Yin, 2009: 149).

4.2 BACKGROUND TO THE CREATION OF THE TRUST
SA’s Millennium Development Goals embody the country’s commitment to ensuring on-going social and economic development, in line with international aspirations (Millennium Development Goals, 2007). The goals relate among others, to the eradication of extreme poverty and hunger, the promotion of gender equality and the empowerment of women. They have particular relevance to the creation of the ILIMA Trust.

The Trust was started by Old Mutual with the view to addressing:

• the development of key leaders in government so that they are able to meet their service delivery commitments to all communities;
• SA’s need for economic development and the encouragement of SMEs (ILIMA Trust, 2007b).

The philosophy behind Old Mutual’s commitment is: “What is good for South Africa is good for Old Mutual” (Old Mutual, 2007:5).

4.3 THE ILIMA TRUST STRATEGY AND STAKEHOLDERS
The vision of the Trust is “[t]o make a meaningful difference by enabling people” and its mission is “[t]o impart the collective knowledge, skills and experience of the associates to improve the capacity of key leaders to meet the demands of their roles” (ILIMA Trust, 2007a:1).

The values that guide the behaviour of the Trust’s associates are:

• A deep desire to plough back skills, knowledge and experience;
• A strong determination to enable leaders to achieve their purpose; and
• An uncompromising belief in integrity, respect and humility (ILIMA Trust, 2007b:2).

The outcomes of and impact made by the Trust have attracted the interest of a wide range of stakeholders. These stakeholders include the Old Mutual Executive Management, the Old Mutual Foundation, the Masisizane Company, the SME owners and staff, and the ILIMA Trust Trustees and staff. Interest has also been shown in the work of the Trust by ministers and officials representing the South African government.
Of these stakeholders, the Old Mutual Foundation and the Masisizane Company could also be described as business partners. The Old Mutual Foundation, through the grants it makes, provides opportunities for seed funding of SMEs.

4.4 THE LOGIC MODEL

The logic model of the ILIMA Trust will be unpacked by first describing the target group as well as the problems encountered and the causal factors. The objectives of the Trust, its resources, activities and management systems will then be set out, followed by the outputs, outcomes and impact made by the Trust.

4.4.1 The target group, its problems and causal factors

The target group is made up of women SME owners who come from previously disadvantaged socio-economic backgrounds. The problems they encountered and the causal factors have been described in detail in the literature review in Chapter 3. These problems and factors can be summarised as follows:

- A lack of education causes a shortfall in the SME owners’ knowledge and skills to start or run their businesses successfully.
- The lack of access to finance results in insufficient capital, which suffocates the SMEs.
- Stifling government regulations and bureaucracy cause delays in getting the SMEs off the ground.
- Uncompetitive behaviour from established enterprises causes SME business models to be unviable.
- A lack of support, coaching, mentoring and training results in procrastination where urgent action is required, as well as wrong decisions.
- Socio-cultural barriers and outdated paradigms result in a lack of assertiveness on behalf of SME owners as well as low family or community support.

4.4.2 The objectives of the Trust

Recognising the needs for service delivery as well as economic development and growth in SA, the Trust was created by Old Mutual as a community development initiative with the following objectives (ILIMA Trust, 2007b):

- To train leaders in all spheres of government and to develop their skills
- To contribute to the development of poor and needy people and communities
- To build the capacity of SME owners who come from previously disadvantaged socio-economic backgrounds to start and grow their businesses
4.4.3 The resources of the Trust

Fourteen people or associates, who previously held executive and senior management positions in Old Mutual, provide the skills and experience to achieve the objectives of the Trust. The associates chose to take early retirement from Old Mutual to join the Trust and on average each have more than 20 years’ experience with the company. They represent the whole range of skills required to support entrepreneurs. The competencies of the Trust are:

- practical business insight and experience;
- executive leadership and management experience;
- access to wide networks;
- a range of specialist skills which include strategic planning, financial management, human resource management, operations management and information systems management; and
- coaching and mentoring competencies. The associates have been trained in coaching and mentoring by the Centre for Coaching in Cape Town, which is an accredited training body. Supervision and on-going training are provided to ensure that the associates’ skills and interventions with SME owners remain relevant and effective.

Of the 14 associates, one is located in Port Elizabeth in the Eastern Cape, another associate is in George and the rest are based in Cape Town in the Western Cape. The associates chose to retire in these locations and the Trust has agreed to carry the costs related to travel and hotels to get them to the SME owners’ places of work.

Office support is provided by an office manager and the Trust is led by a managing associate. The Trust is governed by a Board of Trustees, which is nominated by Old Mutual, its Black Economic Empowerment (BEE) partners and the government.

The Trust was financed with R50 million in 2007, which came from the proceeds of the sale of unclaimed shares from Old Mutual’s listing. The capital has been supplemented by interest earned and fees charged for services. It should be noted that the Trust’s support to women SME owners has been free of charge.

4.4.4 The activities of the Trust

The development of long-term relationships with SME owners underpins the activities of the Trust. Coaching and mentoring are the hallmark of these activities provided in support of the SME owners. The transfer of knowledge, skill and experience from the associates to the SME owners is achieved through these two activities and complemented by training and practical assistance such as introducing SME owners to retailers and other parties.
Formal business training is used to accelerate learning and achieve economies of scale. It is, however, difficult to implement the training due to long distances between the geographic areas where the SME owners are located and the training facilities. The work situations and challenges of the entrepreneurs are therefore used to achieve learning through on-the-job coaching and mentoring.

Practical assistance is also provided by utilising the extended networks of the associates to introduce SME owners to key people and opportunities to strengthen the businesses.

4.4.5 The management systems of the Trust
The core management systems of the Trust include the identification of SME owners who require support, the allocation of assignments, the monitoring of progress and the assessment of outputs and outcomes achieved. The identification of SME owners as beneficiaries of the Trust forms the foundation of the work.

SME owners who require support are identified by the Masisizane Company, which then requests assistance from the ILIMA Trust managing associate. Details of the SME owners are provided to the managing associate who then appoints an ILIMA Trust associate to conduct a needs analysis and if appropriate, to set up a contract of agreement with the SME owner which specifies the responsibilities and deliverables.

Progress is monitored with the use of monthly reports, which are submitted to the managing associate. Corrective action and assistance is rendered where needed and lessons learned during assignments are shared among the team of associates.

At the conclusion of an assignment, outputs are measured against the agreements that were established with the SME owners. The outputs of the associates’ activities are discussed in the next section and are followed by the assessment of the outcomes.

4.4.6 The outputs of the Trust
Outputs or results of the coaching and mentoring of SME owners are identified in the form of knowledge and skills gained by the SME owners as well as a growth in confidence in their abilities to successfully complete the following activities, as outlined below:

- Writing up a business plan (form, content, financials)
- Planning the business (strategy, product, price, place, promotion)
- Applying to borrow money
- Sales and marketing or advertising of their products and services
- Managing operations (purchasing and maintaining equipment, planning production, stock order and control, manufacturing, record keeping)
• Managing people (recruiting, selection, appointments, performance management, salaries, industrial relations)
• Controlling finances (cash flow and budgeting)

The knowledge and skills gained by the SME owners generate an increased level of confidence and self-belief within the owners. This enables them to tackle the challenges involved with starting up and managing their businesses.

4.4.7 The outcomes and impact of the Trust

Outcomes in the following areas are measured by the Trust:

• The number of loan applications approved by the Masisizane Company
• The number of new SMEs that start up successfully
• The percentage of coaching and development plans that are on track
• The number of SMEs that mature beyond 12 months
• The number of SMEs that mature beyond 24 months
• The number of SMEs that mature beyond 36 months

A total of 140 assignments (ILIMA Trust, 2011:1) have been completed by the Trust in support of Masisizane women SME owners. The following message was conveyed to the Trust by Minister Trevor Manuel, the current Minister of Planning: “I have watched ILIMA from a distance and I am exceedingly appreciative of the work you are doing. I don’t frequently get the opportunity to say so but from me, a BIG thank you. Keep at it please!” (ILIMA Trust, 2011:1).

The ILIMA Trust Logic Model is presented in Table 4.1.
<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target group</td>
<td>Women SME owners from previously disadvantaged socio-economic backgrounds</td>
</tr>
<tr>
<td>Problems</td>
<td>Inadequate business knowledge and skills</td>
</tr>
<tr>
<td></td>
<td>Insufficient capital</td>
</tr>
<tr>
<td></td>
<td>Lengthy time to get off the ground</td>
</tr>
<tr>
<td></td>
<td>Unviable business models</td>
</tr>
<tr>
<td></td>
<td>Wrong decisions and lack of action taken</td>
</tr>
<tr>
<td></td>
<td>Lack of assertiveness and cultural support</td>
</tr>
<tr>
<td>Causal factors</td>
<td>Inadequate education</td>
</tr>
<tr>
<td></td>
<td>Lack of access to finance</td>
</tr>
<tr>
<td></td>
<td>Stifling regulations and bureaucracy</td>
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<tr>
<td></td>
<td>Uncompetitive behaviour from established enterprises</td>
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<tr>
<td></td>
<td>Lack of support, coaching, mentoring and training</td>
</tr>
<tr>
<td></td>
<td>Socio-cultural barriers and 'old' paradigms</td>
</tr>
<tr>
<td>Objectives</td>
<td>To train leaders in all spheres of government and to develop their skills</td>
</tr>
<tr>
<td></td>
<td>To contribute to the development of poor and needy people and communities</td>
</tr>
<tr>
<td></td>
<td>To build the capacity of SME owners who come from previously disadvantaged</td>
</tr>
<tr>
<td></td>
<td>socio-economic backgrounds to start and grow their businesses</td>
</tr>
<tr>
<td>Activities</td>
<td>Transfer knowledge, skills and experience through coaching, mentoring and training</td>
</tr>
<tr>
<td></td>
<td>Provide practical assistance through introductions to extended networks</td>
</tr>
<tr>
<td>Outputs</td>
<td>Increased knowledge, skills and confidence of SME owners</td>
</tr>
<tr>
<td>Outcomes, impact</td>
<td>The number of loan applications approved</td>
</tr>
<tr>
<td>and measures</td>
<td>The number of SMEs which start up successfully</td>
</tr>
<tr>
<td></td>
<td>The percentage of coaching and development plans that are on track</td>
</tr>
<tr>
<td></td>
<td>The number of SMEs that mature beyond 12, 24 and 36 months</td>
</tr>
<tr>
<td></td>
<td>The percentage of coaching and development plans that are on track</td>
</tr>
<tr>
<td></td>
<td>Recognition from stakeholders of the success of the Trust</td>
</tr>
</tbody>
</table>

This concludes the description of the ILIMA Trust’s strategy and logic model. The following chapter (Chapter 5) describes the research methodology that was followed as well as the ethical issues considered in conducting the research.
CHAPTER 5
FINDINGS AND DISCUSSION

5.1 INTRODUCTION
The research methodology and ethical considerations pertaining to this research study were discussed in Chapter 3. A description of the approach used to analyse the data gathered in the interviews and to identify themes, was also documented in that chapter. This chapter focuses on the findings of the study and specifically the results of the interviews conducted with the respondents. In addition, a discussion of the findings is presented.

The findings of the study should be understood in the light of the overall objective, which is:

To establish the stakeholder experiences of the ILIMA Trust’s coaching and mentoring programme, as provided to the Masisizane SME owners, in order to improve the programme.

The primary research question underlying the research is:

What are the stakeholder experiences of the ILIMA Trust’s coaching and mentoring programme as provided to the Masisizane women SME business owners?

The findings are presented in three categories, in line with the sub-questions as stated in 1.4:

a) What are the stakeholder perceptions and feelings regarding the programme?
b) How effective was the programme in providing SME owners with the knowledge, skills, and confidence to start up and run their businesses?
c) How can the programme be improved?

The responses of the two stakeholder groups, i.e. the SME owners themselves and the ILIMA associates who provided the coaching and mentoring, are reported in the following ways:

- The perceptions of the SME owners are identified as such and quotations are preceded with the letters ‘SU’.
- The perceptions of the ILIMA associates are identified as those of ‘the other respondents’. Quotations are preceded with the letters ‘OU’.
- Where specific mention is made of the perceptions of the ILIMA associates, they are identified as such. Quotations are preceded with the letters ‘OU’.

After the letters ‘SU’ or ‘OU’ the interview number, the code number and the response number in the interview, as recorded in the software, are provided.
SU:2:64:158 therefore indicates a quotation from one of the SME owners which was made in interview number 2, which represents the 64th code recorded in the 158th response in the interview.

Where respondents spoke in Afrikaans, their words are first cited in that language and translated into English within brackets [ ]. Furthermore, to protect the identity of individuals mentioned in the interviews, their names have been replaced with ‘X’ and the names of enterprises with a ‘Y’.

The perceptions and feelings of stakeholders regarding the programme are discussed in the following section.

5.2 STAKEHOLDER PERCEPTIONS AND FEELINGS REGARDING THE PROGRAMME

The key themes discussed in this section of the study are dealt with under three headings:

- Perceptions of how the ILIMA associates transfer knowledge and skills, as well as how they instil confidence in the SME owners
- The impact of the interventions as experienced by the stakeholders
- To what extent the stakeholders felt their expectations had been met

5.2.1 Perceptions of how the ILIMA associates transfer knowledge and skills, as well as how they instil confidence in SME owners

The perceptions of the approach used by the ILIMA Trust associates to transfer knowledge and skills, as well as how they instil confidence in SME owners, are categorised into the main interventions of mentoring, coaching and business training.

Examples of the mentoring approach are demonstrated by:

“Hy het nie vir ons (die finansiële) verslag opgestel nie, hy het vir ons gehelp om ons eie verslag te skryf.”

[He did not develop (the financial) reporting system for us, he helped us to write our own report] (SU:1:14:53:53).

I’m still doing it (my financial records in) the same way you showed me – monies in and monies out (SU:11:5:16).

Perceptions of SME owners of the coaching approach are described as follows:

“Hy (die ILIMA-assosiaat) vra die vraag sodat hulle of jyself die antwoord kan gee. Dit is sy geheim, hy gaan nie vir jou sê wat jy moet doen nie. Hy vra die vraag en dan … sit hy die denkproses aan die gang.”
He (the ILIMA associate) asks the question so that they or you provide the answer. That is his secret, he will not tell you what to do, he asks the question and then he stimulates the thinking] (SU:1:12:45).

“... en dan vra hy(die ILIMA-assosiaat) waar is die bord en ons skryf ons probleme daar op die bord en elkeen moet sy opinie gee en skryf sy oplossings op en van daar werk ons dit uit ...”

[... and then he (the ILIMA associate) asks where the board is and we write our problems on the board and each one must give his opinion and write up his solutions and from there we work it out] (SU:2:9:11).

One of the ILIMA associates made the observation that:

... sometimes you would ask the obvious stupid questions, for example, “How do you know you’ve got 290 grams of jam in a bottle?” By asking that dumb question you get interesting answers actually, so just allowing themselves to see what they need to see (OU:13:10:13).

An SME owner’s view of the training approach was:

“... die werkswinkel het my confidence 'n groot boost gegee, daardie vertroue het ek weer gekry”.

[... the workshop gave my confidence a big boost and my self-confidence returned again] (SU:10:16:70).

My observation is that a combination of the interventions of coaching and mentoring, supported by business training, were used to impart knowledge and skills to the SME owners and to instil confidence in them to start and run their enterprises. This observation is supported by the findings of Rae and Carswell (2001) that coaching and mentoring, combined with education and training provide an effective solution to SME owners’ needs.

Having discussed the stakeholder perceptions of how the ILIMA associates transfer knowledge and skills and instil confidence in the SME owners, the next section describes how stakeholders experienced the impact made by the coaching and mentoring programme.

5.2.2 The impact of the interventions as experienced by the stakeholders

The perceptions of the impact of the ILIMA associates’ interventions is discussed by first describing the impact made on SME team dynamics and then the impact made on the businesses’ performance in general.

5.2.2.1 Impact on SME team dynamics

SME owners reported that they had learned to find solutions and develop team cohesion:
“So aan die einde van die dag kom ons by ’n oplossing hier en niemand is kwaad vir mekaar nie.”

[So, at the end of the day, we find a solution without being cross with each other] (SU:1:27:120).

... so now we can get rid of the lack of togetherness. We can work together as a team (SU:10:39:53).

One of the other SME owners reinforced this view and said:

(There is) a better relationship management amongst themselves, how they actually work together and harness what the three guys bring to the party (OU:13:15:17).

The SME owners also spoke about allocating responsibilities, defining roles and determining communication processes in their businesses:

I learned about the importance of role definition and (allocating) responsibilities (SU:10:8:26).

On a daily basis to feed the chickens and all that we work together we divide ourselves into two groups. That means the other three comes for four days and feed the chicks, then they go off. Another four came in and they worked for four days, there is an office bearer, a chairperson, a vice, a secretary and a vice, and a treasurer that do the office work, and they also feed (SU:3:21:34).

The team cohesion, role clarity and defined communication processes had an impact on the business performance of the SMEs as shown in the next section.

5.2.2.2 Impact on SME business performance

The impact of the interventions of the ILIMA associates is described by some comments of the SME owners:

We were broke that time and he (the ILIMA associate) helped us now. We are on our feet again right now (SU:3:36:10).

The time Mr X (the ILIMA associate) come I was failing to run my business just because I did not have somebody who can help me with the financial(s) (SU:5:3:7).

It helped by showing me how to make a good business (SU:5:13:124).

Another SME owner said:

I have more direction (in my business), doing things more according to the book (SU:11:20:148).

One person cited the benefits perceived over the longer term and stated:
“En dinge het baie verbeter soos die jare aangegaan het.”

[And things improved a lot, as the years went on] (SU:8:26:85).

There is also evidence of the transformation of a community project into an SME:

Before when he (the ILIMA associate) came here we’d just come here for the sake of it’s a project, we had to be here. We did not have any light or any idea why we are here, we just know it’s a project, right now we know its not just a project, it’s a business (SU:4:10:36).

The other respondents were in agreement with these comments with some specific insights into an increased level of ownership and accountability by SME owners:

The biggest change I saw in them (the SME owners) is that they took on real ownership (of their businesses). They now have ownership and accountability (OU:14:24:58).

An associated change in the behaviour of taking on accountability was also expressed, for example: “And then its not a case of always expecting hand-outs or depending on other people or blaming other people” (OU:15:7:18). This change is significant given the comment: “People, particularly those in the rural areas are so conditioned through donations received through the years. There is a tendency to think if I’m in trouble there will be someone who will give me more money” (OU:16:12:32).

It was the experience of the ILIMA Trust that many people in SA’s disadvantaged communities depend on grants and donations. An example of this dependency emerged in my interview with an SME owner on 6 May 2011, as recorded on p.109 in my field notes (see Appendix D). As set out in the previous chapter, the ILIMA Trust’s approach, however, is to enable people to earn their own their income by ‘teaching them to fish’ and to become independent.

The realisation within the ILIMA associates of how small their contribution is in relation to the great need in SA is reflected in the comment:

We may not turn the whole world around (in SA) but we can make a difference to the people who we come into contact with (OU:14:39:105).

Further comments reflect the ILIMA Trust’s contribution:

…she’s (the SME owner) got enough finance now to run her own business, she’s got her own office now, she’s keeping her books” (OU:16:18:57) and “I think ILIMA made a terrific impact in Masisizane itself (OU:17:2^14).

5.2.3 Extent of SME owners’ expectations being met

Some owners had limited expectations of what the ILIMA Trust associates would do:

Student No. 10455795
“... ek het net verwag hy gaan 'n tipe van 'n onderhoud met ons doen en dan gaan hy vir ons 'n oudit doen en dit sal die einde gewees het.”

[... I just expected that he (the ILIMA associate) would do a type of an interview with us... and that he would conduct an audit ... and that would be the end] (SU:1:64:158).

“Maar hy is nog hier, mens kan hom nog gebruik...”.

[But he (the ILIMA associate) is still here and one can still use him...] (SU:1:65:158).

As a consequence they were pleasantly surprised by what was experienced which is illustrated when one owner said “So ek moet sê nou persentasie gewys het hy nou eintlik seker al 200 persent meer gedoen as wat ek verwag het. [So I must say, percentage wise, he (the ILIMA associate) did 200 per cent more than what I expected]” (SU:1:66:158). Another SME owner agreed “I thought last year that it is finished. I didn’t expect you guys (the ILIMA team) to stay and still come and help me, and still to look at this business” (SU:11:22:221-222). Other owners spoke about their dreams being realised:

“Ja, my hoop is vervul. Ek het 'n gesonde, positiewe uitkyk wat my polisse aanbetref.”

[Yes, my hope has been fulfilled. I have a healthy, positive view of my policies] (SU:6:31:123).

Today by ILIMA my dreams came true. It helped me a lot, to teach me how I can run my business and to assist me where I can fail. I think it was the best (SU:5:1:3).

An SME owner said “That was – I was privileged, really privileged for ILIMA could help me in those things that they have done for me” (SU:11:18:116). Other SME owners expressed their satisfaction but also their displeasure that the ILIMA Trust could not continue helping them due to the entry of a new sponsor other than Masisizane and the ILIMA Trust:

Yes, they do what we expected them to do, but it was a short time to us (SU:9:2:120).

Among the 15 SME owners there was one respondent who voiced disappointment that her expectations had not been met:

But I'm looking (for) more because but I like the ILIMA to help me because I'm just in (on) the ground, just to pick me up (SU:5:31:129).

After conducting the interview with this SME owner, I recorded in my field notes (see Appendix D, p.103, 20 April 2011) that she showed signs of nervousness and that she struggled to answer my questions. My suspicion was that she anticipated that the ILIMA associate supporting her would enquire what she had done with the funding she had received from Masisizane. After the interview she admitted that some money was used to “help out my family".
It also struck me that this SME owner chose to operate in a traditional market which was familiar to her as a woman, was highly competitive and attracted low margins. This supports the views of Anna et al. (2000) who postulate that women tend to enter fields that are familiar to them, such as services and retail. As commented in section 2.2, the clothing crafts and food industries in SA attract low profit margins and require high volumes of sales. It appears that the ‘Pink Ghetto’ (Adler, 1999) may well be a reality for this particular SME owner.

Apart from this particular SME owner, the other owners who were interviewed expressed satisfaction that their expectations of the support they would receive from the ILIMA Trust had been met. The evidence obtained in this study supports the importance, as highlighted by Herrington et al. (2010: 41), of encouragement, coaching and mentoring in addressing the needs of entrepreneurs who come from disadvantaged backgrounds.

The findings reported above also suggest that the Trust is nurturing long-term relationships with SME owners, as stated in its vision and discussed in the previous chapter.

5.2.4 Feelings expressed regarding the programme

The feelings of SME owners about their interactions with the ILIMA Trust were explored and were typified by concepts such as security, confidence and excitement as is illustrated by the following comments:

“So jy kry ’n gevoel van gemoedsrus, jy voel veiliger en jy het ook meer vertroue want jy weet wat jy moet doen.”

[So I have a sense of safety of mind, you feel safer and have more confidence because you know what you have to do] (SU:10:36:117-118).

Yes, my experience with ILIMA was extremely exciting. All the stuff I was learning, I was excited (SU:11:23:138).

In responding to the question as to what her feelings were about the ILIMA Trust one SME owner replied: “He (the ILIMA associate) can become our boss” (SU:8:33:70). When asked to describe her feelings about the ILIMA Trust one particular SME owner said: “I’m just feeling very, very happy because they helped us a lot in a very difficult time” (SU:9:16:98). As recorded in my field notes (see Appendix D, p.102, 19 April 2011) the ladies of a particular co-operative group burst out into songs of joy and started dancing when I asked them this same question. Similar sentiment was voiced about the work of the Trust by the other respondents, who said the following, among other things:
Man, it is actually a very nice feeling to see people succeed, people smile even if Masisizane says “OK now these guys have had enough” I think I will still come through just to touch sides with them because it does energise you (OU:13:27:33:33).

“... dit is ook vir my as (n) persoonlike passie om te sien hoe ander mense ontwikkel.”

[... it is my personal passion to see how other people develop] (OU:14:27:70).

... sometimes you feel guilty about having to send an invoice in because you’re having so much fun. It’s amazing (SU:16:19:67).

In summary: the analysis demonstrates that on the whole these stakeholders have positive perceptions and feelings of the work of the Trust. The recorded evidence supports the view that the vision of the Trust, which is “To make a meaningful difference by enabling people” (ILIMA Trust, 2007a:1) was made a reality for this particular group of SME owners who were included as respondents in this study.

In the following section, the analysis of the data is aimed at answering the question as to how effective the ILIMA Trust’s coaching and mentoring programme has been in providing SME owners with the knowledge, skills and confidence to start up and run their businesses.

5.3 THE EFFECTIVENESS OF THE TRUST IN PROVIDING SME OWNERS WITH THE KNOWLEDGE, SKILLS AND CONFIDENCE TO START UP AND RUN THEIR BUSINESSES

From the earliest interviews conducted in the data-gathering process, I found that SME owners had difficulty in separating the knowledge and the skills they had gained in their interactions with the ILIMA associates. These two learning components are therefore reported collectively while the confidence gained by SME owners is dealt with separately.

5.3.1 The knowledge and skills gained by SME owners

Based on the analysis, the knowledge and skills gained by the SME owners range over a wide field including business management, planning strategy and operations, financial management, marketing, human resource management, managing problems related to people, decision making, purchasing equipment, establishing processes, stock control and record keeping.

Examples of comments made by respondents on the knowledge and skills gained in the above fields are set out in Table 5.1.
**Table 5.1: Examples of respondents’ comments on knowledge and skills gained**

<table>
<thead>
<tr>
<th>BUSINESS AREA</th>
<th>RESPONDENTS’ COMMENTS</th>
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<tbody>
<tr>
<td>Business management</td>
<td>… business management he (the ILIMA associate) taught us a lot (SU:3:3:4). … we did not know the meaning of the business, but right now we know (SU:3:13:36). …he (the ILIMA associate) taught us about how to run a business, how to handle money in a business (SU:4:15:54). …nou bestuur ek my polis besigheid baie gesond (as gevolg) van die hulp wat hy my gegee het […] now I manage my policy business (in a) very healthy (way) because of the help he (the ILIMA associate) gave me} (SU:6:29:113). Wat uitstaande is wat (ek) baie geleer het wat jy kan sien daar is ’n groot verbetering in bestuur (van die besighede). [What is outstanding, what (I) learned, what you can see is the big improvement in the management (of the businesses)] (OU:17:9:28).</td>
</tr>
<tr>
<td>Planning strategy</td>
<td>… when X (the ILIMA associate) came it (my plans) was (put) all on paper and that gave me a bigger vision of what I wanted to do (SU:11:2:4). …the biggest gain will be planning strategy, how do you actually look ahead and plan for the year ahead (SU:13:11:17). Thinking about their (the SME owners’) future as opposed to keeping their heads down, buried in the day-to-day grind of the business and trying to survive, seeing what level they can take the business to, what the potential is (SU:15:3:10). … die eerste keer dat hy gekom het het ons deur die strate gegaan en dit is ’n ding wat ons gedurig hersien. [when he (the ILIMA associate) came the first time he went through our strategic planning and this is something we now review all the time] (SU:1:6:9). En die opleiding wat hy ons gegee het van die SWAT analysis (was waardevol) daardie dag was ek verbaas gewees want almal het insette gelewer. [And the training that he (the ILIMA associate) gave us on the SWOT analysis (was useful), that day I was surprised because everyone provided input] (SU:10:5:17).</td>
</tr>
<tr>
<td>Planning operations</td>
<td>He (the ILIMA associate) taught us a lot on that part, just because now we know that we can plan for Good Friday. Just as you have seen we have 1 000 chicks right now. Its for Good Friday (sales) (SU:48:32). …vandat X hier is doen ons week beplanning, maand beplanning, so in die verlede het ons net elke dag gevat soos dit gekom het. […] since X (the ILIMA associate) is here we do weekly planning, month planning, in the past we just took each day as it came} (SU:2:11). En ons het nie meer daardie vreeslike krisis by ons wat ons voorheen gehad het. [And we don’t have that terrible crisis which we had previously] (SU:1:54:61).</td>
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</table>
| Financial management | …the time he (the ILIMA associate) came I was failing in my business just because I didn’t have somebody who can help me with the financial(s)… (SU:5:3:7). I want to see my profit, and the thing he showed me is to how to do it, because I did not know how much I can spend (SU:5:5:16). … vanaf hy daardie begroning opgestel het en ook vir my gewys het, het ek besef dis baie belangrik om die besigheid met ‘n begroning te bestuur en te sorg dat die besigheid wat jy doen, jy moet begroning gaan haal. […] since he (the ILIMA associate) set up the budget and also showed me (how to budget), I realised how important it is to manage the business with a budget and to see that the business you do contributes to achieving the budget] (SU:6:28:99). Ons het geleer hoe om met geld te werk, want ons het nie aan die begin vaste wages gehad nie ( maar nou) ons het die profits, ons het die wat ons ingekry (het) gedeel, (ons) skuld betaal. [We learned how to work with money
because in the beginning we did not have fixed wages (but now) we have profits, we have divided what we have brought in, paid our debt (SU:8:39:18).

... in a business there is a cash payment, there is a cash receipt, there’s the journals. I know nothing about them, but because of the help, ja then he (the ILIMA associate) helped me (SU:9:6:22).

Marketing

...he (the ILIMA associate) gives us the idea to go to SEDA and the SEDA helped us with that billboard and the pamphlets, and the brochure. So we go outside, we get people, we advertise our business where there is a pay point (where state pensions and grants are collected) we go there, we talk to the people. We are selling the chickens (SU:3:11:28).

In die bemarkingsplan het hy my ook baie gehelp. [In the marketing plan he (the ILIMA associate) also helped me a lot] (SU:6:10:31).

... het die voorstel gemaak om die plaasboere te besoek en met hulle te gaan praat en vra wil hulle nie begrafnispolisie uitvat (vir hul werkers) nie. [X (the ILIMA associate) suggested I must visit the farmers to talk to them and ask whether they would not like to take out funeral cover (for their workers)] (SU:6:12:35).

... en dan moet jy ( jou) mooi maak en bietjie kalmer (word), praat sag en whatever en my charm gebruik. […] then you must make (yourself) pretty become calmer, talk softly and whatever and use my charm] (SU:10:22:92).

It’s the coaching session on their (the SME owner’s) confidence levels, the agenda, have you prepared you (presentation) pack, what are you going to wear? Where are you going to meet the client, how long is the meeting going to be? (OU:16:4:11).

… wat ek ervaar het van Y (the name of the enterprise) die klein local is goed, maar dit gaan nie Y red nie. […] what I learned about Y the small local (sales) are good but this will not save Y] (SU:10:30:124).

Human resources

Hy het vir ons geleer om met (ons) mense te kommunikeer... [He (the ILIMA associate) taught us to communicate with (our) people] (SU:1:38:146).

(Ek het geleer;) praat met jou mense en hou gereeld vergaderings en die vergaderings kom daar gewoonlik klomp goed uit. [(I learned:) talk to your people and hold regular meetings, the meetings reveal many things] (SU:10:29:122).

Ons houding moet (so) wees as ons met die mense werk sodat daardie (mense) spesifieke respek vir jou kan hê. [When we work with our people our attitude must be such that they develop respect for us] (SU:1:33:130).

X (die ILIMA-assosiaat) het my geleer om die human factor ook raak te sien, nie net straight line dinge (te) doen nie. [X (the ILIMA associate) taught me to see the human factor and not only do things according to the book] (SU:1:43:154).

So, die manier hoe om mense (te) hanteer, hoe gaan ons die beste uit die mense uitkry? [So, how to manage people, how we could get the best out of the people?] (SU:1:60:130).

Managing people problems

... ons was eintlik ook bietjie bang om iemand aan te spreek want jy weet nie hoe gaan hy reageer nie. Maar nou dat ons hierdie hulp gekry het, toe het ons geweet hoe om met mekaar te werk. […] we were a bit afraid to discipline someone because we did not know how he would react. But now that we have had this help we know how to work with each other] (SU:8:20:55).

Decision making

Wat ons besluitneming betref, het ek baie geleer. Want besluite is vir ons geneem in die verlede. So nou moet jy besluite neem. [With reference to decision making, I learned a lot. Because decisions were made for us in the past. So now you must make decisions] (SU:10:28:122).

… hy het vir ons ‘n spesifieke format (gegee), hoe ons die probleme moet hanteer soos byvoorbeeld die analitiese stelsels, nou kyk ons wat is die oorsaak van die probleem. […] he (the ILIMA associate) gave us a specific format how we must handle problems, for example the analytical systems, now
Several of the women SME owners in this study had limited education and no business knowledge when they joined the coaching and mentoring programme. Eight of the 15 women in the study had a Grade 10 or lower level of education and only two owners had completed Grade 12 (see Appendix E). Three SME owners had had business experience before starting their own businesses. These findings support those of Naudé (2004: 10), Ikoja-Odongo (2002: 43, 50) and several others cited in this study, that a lack of education and business knowledge present major hindrances to women as they attempt to start up and grow their enterprises.

As shown above, financial management and expense control was highlighted as a major area of learning for the SME owners. This supports the findings of Hamilton and Rivera (2003) that the effective management of increasing costs was a major weakness in SMEs.

<table>
<thead>
<tr>
<th>Problem Area</th>
<th>Description</th>
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<tbody>
<tr>
<td>Purchasing equipment</td>
<td>“... except when he (the ILIMA associate) come he helped get the machine for me (SU:5:32:5). Ons het 'n build-up gehad van materiaal en geen masjien nie. ILIMA het die dit (die masjien) vir ons gekoop. Build-ups is nie meer daar nie, werk gaan uit nou. [We had a build-up of material and no machine. ILIMA got the machine for us, build-ups are not there anymore and the work is going out now] (SU:8:7:10).”</td>
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<tr>
<td>Establishing processes</td>
<td>“They (ILIMA) learn us how to run the business, even in the production line, because that time we struggle with the machine (SU:9:7:28). They (ILIMA) helped us produce more bags, because that time we had a problem with the production line (SU:9:8:36). So now they (ILIMA) come and say ‘Look X (name of SME owner), this file is going to be for the minutes, this file is for the financial reports and this file is for the register.’ So I learned from them. (SU:9:9:44). I don’t think they had a handle on how best to manage the normal flow of work. So that’s probably where they have grown (SU:13:11:5). ... even in Masisiizane itself various ILIMA people assisted with putting processes in place, even down to the detail of designing forms (SU:17:6:20).”</td>
</tr>
<tr>
<td>Stock control and record keeping</td>
<td>“... we learned how to record the stock that is coming in today, we record the feed, the medicine, what is the cost of feeds, the cost of medicine, there is the cost of electricity and labour and all that (SU:3:7:16). ... so I would count stock and I knew exactly what was going to sell. So that was part of the learning I had to make sure that we have enough stock (SU:11:8:30). Ek het geleer om rekord te hou van wie nie betaal en die mense wat vooruit betaal. [I learned to keep record of those who do not pay and the people who pay ahead] (SU:6:19:75). ... a great difference that has been made (by ILIMA is) in terms of record keeping (of the SME owners) trends we were able to pick up as far as production is concerned, good governance as far as financial controls (OU:15:11:30).”</td>
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</table>
The value of mentoring to “remove stumbling blocks, encourage next steps and the development of new ideas” (Van Vuuren & Groenewald, 2007: 272) is also demonstrated by the evidence cited from this study of Masiszane SME owners. New tools for decision making and problem solving also emerged in the interviews and support similar findings by Sullivan (2000: 167). The findings of Aggarwal (1997) on the areas of value-add of coaching are also supported by among others, guiding SME owners to make sound decisions and learning to evaluate options for such decisions.

The findings of this study in the human resources area, as stated above, were that the women SME owners had much to learn about communicating with their staff and showing respect for each other when opposing views are presented. These findings differ from those of Ndemo and Maina (2007) who state that women entrepreneurs exhibit strong communication skills together with well-developed people skills.

Turning to the degree of self-insight gained by SME owners because of the coaching and mentoring received, the following data was found. In the first instance, some SME owners reported some significant learning:

“... ek self geleer het om ander mense te vertrou, so geleidelik het hulle gegroei.”

[I learned to trust people and as I gave them a chance, they gradually started to grow] (SU:1:18:75).

X (the ILIMA associate) told us to have a confidence on us, on (in ) ourselves (and I learned) it’s not about how much I had, it’s about how big a thing (it) can be, but if I start small then I can go far (SU:4:14:52).

After interviewing the SME owner who made the above comment, I recorded in my field notes (see Appendix D, p.102, 19 April) that this respondent came across as the most confident owner I had interviewed and she also happened to be a member of a co-operative that showed strong growth. My observation was that confidence grows success.

An important insight came from an SME owner whose business had gone through a difficult period:

“Ja (ek het geleer my besigheid is) nie ’n charity home nie as ek dit van die begin af reg gedoen het sou die besigheid nie gewees het waar hy nou is nie.”

[I learned my business is not a charity home, if I had done this from the start my business would not have been where it is now] (SU:6:36:133).

An honest self-assessment was also shared by an SME owner who did not apply what she was offered in the coaching and mentoring programme:
That is my most difficult point. I never took much of your advice (on having to market my products) because that’s the part I don’t like. So I push it aside. I listen to you but I push it aside (SU:11:12:48).

In closing this section, another respondent made a telling comment on the issue of self-insight:

For those that are open to the coaching it has been amazing in that they have learned to look within themselves to find the answers (OU:16:10:38).

These findings support those of Leiman et al. (2011: 45) regarding the value of coaching in creating self-insight and inner-belief.

The analysis of the data emerging from this study furthermore revealed several comments related to the extent to which the knowledge and skills gained by the SME owners was being applied. Several examples cited in this section indicate that SME owners were indeed applying what they had learned.

Some comments from the other respondents in the study confirmed this aspect:

Ja, you can see it (the application) in practice because the one thing that’s good about these guys is that whatever you talk about when you go back the next time you can see the stuff being applied (OU:13:28:36).

“Oorspronklik was die toepassing (van dit wat geleer is) seker by 4 (uit 10) gewees waar hulle nou lê is seker by ’n 7.

[Initially the application (of what was learned) was probably at a 4 (out of 10) but now they are probably now lying at a 7] (OU:14:16:37).

This view is confirmed by an ILIMA associate who mentioned an example where the person being coached is:

…applying it (the coaching) to the extent that he is giving feedback differently, his team is performing differently, he’s structuring things (OU:16:20:79).

A useful insight was offered by an ILIMA associate regarding the SME owners who were struggling to apply what they had learned in their coaching specifically, as opposed to mentoring:

Fifty per cent of the people (are not applying what they learn because they) are still in the hand-to-mouth (stage), chasing each and every bit of income, so it’s not because they can’t, it’s been because “I can’t get my head around taking time off to do it” (OU: 16:23:83).
This view supports the finding of Raiz (2006: 108–109) who found that when owners start out and are at a critical stage, mentoring is more effective in quickly getting entrepreneurs on to their feet and a position of confidence.

Other views offered for the non-application of learning was:

“Party (eienaars) wag vir die (ILIMA) konsultant om dit (die werk) te kom doen”.

[Some (owners) wait for the (ILIMA) consultant to do it (the work) for them] (OU:17:10:28).

On-the-job training (is required) so that they (the SME owners) know how to apply the new knowledge and appreciate the full value (OU:14:17:24).

The need exists for repeated practice and reinforcement of what is being learned (OU:14:17:28).

The latter explanation was confirmed by a respondent who commented on the difficulty SME owners had in mastering finance-related knowledge and skills:

“So hulle leer (nuwe) vaardighede, doen dit vir ‘n tyd, maar dan raak dit weer ‘n bietjie sleg.”

[So they learn (new) skills, apply them for a while and then it deteriorates again] (OU17:21).

My observation during the data-gathering stage was that the SME owners who struggled to apply what was being learned, according to the evidence at hand and the demographic data gathered, were older than 40 years, did not qualify themselves above a Grade 10 education and showed less confidence in their interviews in the data-gathering stage. The value of repeated practice of new skills, positive reinforcement and feedback cannot be underestimated in these learning situations.

This concludes the analysis of data related to the application of new knowledge and skills by SME owners. The next section provides an analysis of the data pertaining to the extent to which SME owners gained in confidence while being coached and mentored by the ILIMA Trust associates.

5.3.2 The confidence gained by SME owners

The respondents offered a range of responses to the questions that probed the extent to which their confidence had grown since they became part of the ILIMA Trust’s coaching and mentoring programme. Increased confidence in two areas emerged, namely the growth in confidence at a personal level and growth in confidence in their abilities as SME owners. I deal first with the growth in confidence at a personal level.

Some owners spoke about discovering new abilities in themselves and a sense of pride:
I can’t write, I can’t spell, I can do it at home, but in front of someone I’ll do everything wrong. I was very privileged and felt proud (that ILIMA was supporting me), I could broadcast and tell everyone, sorry about the tears, it really boosted me (SU:11:17:120).

Others expressed growth in confidence in their ability to manage personal relationships and opposing points of view:

“Ek het nooit voorheen eens die moed gehad om vir X aan te spreek en te sê ek voel biejie teleurgesteld maar nou kan ek na X toe kom en sê nee ons moet so doen.”

[I did not have the courage before to go to X (a co-owner) and to tell him a feel a little disappointed, but now I can go to X and say no, we must do this] (SU: 2:8:9).

The ILIMA associates confirmed seeing the growth in the levels of personal confidence of SME owners:

The lady at Z (the name of the SME) she really was such an introvert, couldn’t say boo to a ghost, and it’s nice to see how she has grown in confidence, in authority (OU:15:19:60).

Even the observation of increased self-worth within SME owners was observed:

“What one can definitel(y) see (is) that the ILIMA-consultants have brought about a sense of self-worth in the owners, which is very valuable] (OU:17:15:42).

Growth in the confidence of the entrepreneurs as owners of their businesses was expressed in several instances. For instance, owners spoke of gaining confidence in their ability to perform tasks and take on greater responsibilities:

And today we know how to do the orders, we know how to buy stock, we even learned about costing (our products) (SU:10:20:78).

“Ek het nou die selfvertroue om self na iemand te gaan, na ‘n supplier, na ‘n klênt toe met die skills wat hy (die ILIMA-assosiaat) my geleer het; ek dink dit het alleenlik met selfvertroue te doen.”

[I now have the self-confidence to go to a supplier or a client with the skill he (the ILIMA associate) has taught me; I think that has only to do with self-confidence] (SU:2:21:37).

The other respondents in the study confirmed the growth in confidence of SME owners to run their businesses:
Ja, I think they have the recipe now: they’re confident enough that given any problem, that they will be able to make a plan (OU:13:20:21).

They (now) understand how a business needs to run. I think their confidence levels have improved.

Finally, optimism was expressed about the future of the SMEs by the owners and the other respondents:

Myself, I’m having a good confidence in my business. I’m looking for a big business, I want my business to be bigger (SU:5:25:106).

The chutzpah is there to say they actually want to make this (business) work and succeed (OU:13:26:27).

It should, however, be added that, despite the growth in knowledge, skills and confidence, several respondents expressed the need for continued support in specific areas such as financial management and marketing.

So we are hoping is that this (ILIMA) programme stays on, never leave(s) us, but to be around to monitor, to give us advice (SU:4:17:60).

The reported increase in the level of confidence and self-worth of SME owners is telling, in view of the observations made by Van Wyk (2009) that the lack of self-belief in entrepreneurs acts as a major inhibitor to performance. In summary: this study found that the coaching and mentoring programme contributed to developing an increase in SME owners’ confidence at both a personal and a business owner level. Increased self-worth, the discovery of new abilities and optimism about the future was made evident. These observations concur with the findings of Herrington et al. (2010) who reported a growth in the positive self-perceptions of women business owners. This research study also agrees with the findings of Leimon et al. (2011) that coaching makes a significant contribution to the confidence and self-belief of women in leadership positions.

This concludes the analysis of the data provided by respondents to the extent to which the confidence levels of the SME owners have grown since they became part of the ILIMA Trust’s coaching and mentoring programme. Two specific areas were reported, namely the growth in confidence at a personal level and growth in confidence in the abilities of SME owners to run their businesses.

The findings pertaining to the research question as to how effective the ILIMA Trust’s programme has been in providing SME owners with the knowledge, skills, and confidence to start up and run their businesses is therefore concluded. The next section deals with the question: How can the programme be improved?
5.4 THE IMPROVEMENT OF THE PROGRAMME

Findings on how the programme can be improved are dealt with in two sections. Firstly, the strengths of the programme, as seen by the respondents in the study, are discussed after which the areas for improvement are set out. The intent to discuss the strengths is to develop a strong base from which needs could be addressed and recommendations made.

5.4.1 The strengths of the programme

The research study respondents identified the strengths of the programme as follows:

- It focuses on the development of individual SME owners.
- It fosters commitment among the ILIMA associates to succeed.
- It creates a willingness among the ILIMA associates to visit SME owners at their businesses.
- The ILIMA associates have business experience and have access to business networks.
- The ILIMA associates are able to access financial support for SMEs and they can explain business concepts systematically.

Each of these strengths are subsequently explained and supported by evidence, starting with the strong focus on the development of SME owners.

5.4.1.1 The focus on the development of individual SME owners

Associates highlighted the focus on the individual and the value of good stewardship:

We actually focus on the people, to say as individuals how we can actually develop them as well (as their businesses) (OU:13:33:43).

“Die sterk punte van die ILIMA program is om mense te leer vis te vang (en nie) namens hulle vis te vang. Ons doen dit in die mate van die stewardship beginsels.”

[The strength of the ILIMA programme is to teach people to fish (and not to) catch fish on their behalf. We do so based on the principle of stewardship] (OU:14:37:103).

The willingness of the ILIMA associates to work hard to see SME owners succeed was acknowledged:

“Hy het nooit gekla nie, hy het nooit gevoel hy sit die hele dag en werk – hy het dit vir ons gedoen en het ons baie gehelp.”

[He (the ILIMA associate) never complained, he never felt he sat working the whole day – he did it for us and he helped us a lot] (SU:6:5:5).
5.4.1.2 The commitment of the ILIMA associates to succeed

Several SME owners saw the commitment of the ILIMA associates to develop a relationship with them over an extended period as a strength:

“En dan natuurlik die tyd wat hy saam met ons stap sodat ’n mens bou ’n relationship ook, jy weet jy kan na die persoon toe gaan.”

[And then of course the time that he walked the road with us so that we could develop a relationship and know that you could go to this person] (SU:1:47:168).

“En ILIMA is nie iemand wat praat en praat nie, die geld is by die mond.”.

[And ILIMA is not someone who just talks and talks, the money is where their mouth is] (SU:8:2:7).

Other respondents in the study agreed:

…from my perspective it’s the fact that we could come there and actually for a decent period of time and invest in two things. One the business and we actually focus on people (OU:13:36:49).

5.4.1.3 The willingness of the ILIMA associates to visit SME owners at their businesses

The willingness of the ILIMA associates to visit SME owners at their businesses was appreciated by SME owners:

It has boosted me a lot, you guys (the ILIMA associates) coming out to do it (the coaching and mentoring) with me, in my work space where I feel comfortable (SU:11:16:110).

They (the ILIMA associates) come out personally, this is a plus point because so often people promise to come out and then they never come (SU:10:33:147).

Even access by telephone was appreciated:

We can just phone him (the ILIMA associate); it does not matter where he is, it gives me peace of mind (SU:10:26:116).

The geographic distance between Cape Town, where the most of the ILIMA associates live, and the places of work of the SME owners, is, however, reported as a weakness later in this chapter.

5.4.1.4 The business experience and networks of the ILIMA associates

SME owners recognised how the business experience and wide networks of the ILIMA associates assisted them:

“Omdat hy al soveel jare in die besigheidswêreld is.”
Because he (the ILIMA associate) has so many years’ (experience) in the business world (SU:6:45:143).

“ILIMA het moeite gemaak om tot in die Kaap te gaan, hulle het onderhandel (met Woolworths) namens ons.”

[ILIMA went to trouble to go to the Cape (to Woolworths) and negotiated for us] (SU:8:3:8).

The ILIMA associates themselves acknowledged the value of the wide field of expertise in the team:

I think the strength of the ILIMA programme is the diversity of the offerings from the ILIMA members (SU:15:23:68).

We can pull on the expertise of the other people in the team, which makes us stronger to support that (the SME) person (SU:16:27:101).

The value of having access to the Old Mutual network was also recognised as a strength:

Even just the connection into Old Mutual, there’s always someone you can phone to get an opinion” (SU:16:28:101).

The above perceptions of stakeholders support the findings of Lawndes (2008) that good mentors need to have had experience in starting and managing businesses. The view of Bisk (2002), that mentors do not need to have experience of the sector of the economy in which the mentee was operating, is also supported. The worlds of financial services and those of the SMEs included in this study, are far removed from each other.

One of the benefits of this network was the access to funding, as discussed in the next section.

5.4.1.5 The ability of the ILIMA associates to access financial support for SMEs

An SME owner showed appreciation for the ability of the ILIMA associates to access financial support:

“Ons het ‘n rekening by Woolworths gekry, jy hy was letterlik die spokesman tussen ons en hulle.”

[We secured an account with Woolworths and he (the ILIMA associate) was our spokesman] (SU:1.8.15).

Grants from the Old Mutual Foundation were also motivated with the help of the associates:

He (the ILIMA associate) helped us with that building (with money) from the ILIMA (Old Mutual) Foundation (SU:3:2:4).
Several sources in the literature review, e.g. Halkias et al. (2009), Chiloane and Mayhew (2010) and Klinger and Schündeln (2010), point to the suffocating effect that the lack of access to capital and finance has on an enterprise. This study of the Masisizane SME owners suggests that the alliance between Masisizane, the Old Mutual Foundation and the ILIMA Trust serves as a possible model to address the financial needs of SME owners in an effective way.

The last strength noted was the ability of the ILIMA associates to explain business concepts.

5.4.1.6 The systematic explanation of business concepts

The careful explanation of business concepts, on paper, by the ILIMA associates was mentioned as a strength by SME owners:

“Hy neem sy tyd om te verduidelik presies hoe die berekening gemaak is.”

[He (the ILIMA associate) takes his time to explain exactly how the calculation is made (SU:1:3:7).]

Having the explanation on paper served as a point of reference and reinforcement:

I told the ladies to keep the stuff (flip chart sheets with explanations) on the walls (OU:10:15:65).

As noted in my field notes, p. 83 on 5 May 2011, during the data-gathering stage, several SME owners showed me the flip charts on the walls as left behind by the ILIMA associates. The importance of these notes is demonstrated by the following:

“Hy help ons in ons besluit en dit word neergeskryf op ‘n stuk papier, sodat ons agterna as hy weg is ons steeds daarna kan kyk en so.”

[He (the ILIMA associate) helped us in our decision making and it is written down on a piece of paper (against the wall) so that we can refer to it when he is gone] (SU:1:2:3).

This study shows that the ILIMA associates used workshops and mentoring as interventions to increase the business knowledge of SME owners, without them having to leave their businesses. By bringing business training and education into the work place, the inaccessibility of formal training interventions, due to long distances having to be travelled by SME owners, as cited by Chiloane and Mayhew (2010) seems to have been overcome. This study also supports the views of Botha et al. (2007) that training should be combined with mentoring and aftercare.

This concludes the discussion of strengths. The following section highlights the areas where the programme can be improved, as seen by the respondents.
5.4.2 The areas for improvement of the programme

The areas in the programme where research respondents saw improvement was needed can be divided into four categories, namely the language usage of the ILIMA associates, closer geographic location between the ILIMA associates and the SME owners, more regular visits of the ILIMA associates to SME owners and more assistance in finding markets for SME products.

5.4.2.1 The language usage of the associates

In reply to a question as to where the Trust could improve its programme, a respondent replied:

“Taal miskien. Taalgebruik, want ons vind veral ons besighede wat in die platteland is, Engels is baie moeilik vir baie van hulle, so om ’n plaaslike taal te kan praat sal absoluut werk.”

[Language maybe. Language usage, because we find, particularly for our businesses in the rural areas, English is very difficult (to understand) for many of them (the SME owners), so to speak a local language will absolutely work] (OU:17:24:77).

The same respondent added:

“Al is dit net ’n groet en ’n algemene praat, dit oorwin baie so dit sal baie, baie help.”

[Even if it is to greet and talk in general, it wins (people) over and will help a lot] (OU:17:24:79).

My observation is that this point is most valid. Although many of the SME owners who are served in the rural areas of provinces like Limpopo, Mpumalanga, the Free State and the Western Cape speak Afrikaans fluently, they deeply appreciate any effort made by the ILIMA associates to speak their home language.

The second development area relates to closer geographic location of the ILIMA associates to SME owners.

5.4.2.2 Closer geographic location of the ILIMA associates

An SME owner commented:

“Hy is ’n bietjie ver so as ons hom nodig het dan sit hy in KwaZulu-Natal of in h ander plek en dan moet ons deur die e-mail met hom kommunikeer.”

[He, the (ILIMA associate) is a bit far away and when we need him, then he is in KwaZulu-Natal or in another place and then we have to communicate via e-mail] (SU:2:31:75).

Another respondent agreed:

“Vir my is die geografiese ding baie belangrik.”
[For me the geographic location (of the ILIMA associates) is very important] (SU:17:25:85).

The practical implications of having the majority of ILIMA associates living in Cape Town, but supporting SME owners from distant provinces, is costly in terms of travel and time. It would be far more feasible to appoint ILIMA associates in locations close to SME owners.

The third area of improvement is related to the above and has to do with more regular visits of the ILIMA associates to the SME owners.

### 5.4.2.3 More regular visits of the ILIMA associates to SME owners

An SME owner remarked:

> It’s only that they (the ILIMA associates) can come and see (me more often), because sometimes we happen to fail (SU:5:29:96).

Another respondent agreed and added:

> “… as die mentor eers volgende week daar aankom is dit te laat.”

>[… if the mentor only arrives there (at the SME owner’s business) a week later then it’s too late] (QU:17:18:54).

I am in full support of this point. The ILIMA associate who is situated in Port Elizabeth and who serves SME owners in the Eastern Cape is able to visit them more frequently compared to the ILIMA colleagues situated in Cape Town who have to travel to Limpopo, for instance. He is also able to respond far more quickly to SME owners’ appeals for help.

### 5.4.2.4 More assistance in finding markets for SME products

SME owners voiced the need for ILIMA associates to provide more help in finding new markets for their products:

> “Bemarking … dit is die een ding wat meer aandag moes gekry het.”

>[Marketing … it is the one aspect that should have received more attention] (SU: 1:17:71).

This finding supports the view of Kangasharju (2000) that the lack of demand for products is a major factor in the demise of SMEs.

The owners saw the ILIMA associates – with their connection to Old Mutual as an influential financial organisation in SA – as consultants who could introduce them to new markets and retail organisations. While it could be argued that this role does not fit into that of coaching and mentoring, the need for increased sales and income exists. It is the lifeblood of these enterprises.
It could, however, be argued that the SME owners’ choice of products could be working against them due to an oversupply of these products in the market. The 15 SME owners who participated in the study represented eight businesses of which four were in the food, clothing and linen product industries (see Appendix E). Women are familiar with these products and use them regularly. The ‘Pink Ghetto Myth’ as defined by Adler (1999: 5) may well be a reality to these owners as argued in section 2.2 of this report.

The reality, however, is that these women SME owners need assistance in finding markets for their products and that the ILIMA Trust cannot distance itself from this need.

The evidence presented from this study of the ILIMA Trust’s coaching and mentoring programme furthermore supports the views of Kent et al. (2003) that coaching and mentoring play an important role in SME owner development. The SME owners need a blended package of services, which includes coaching, mentoring, business training, introduction to new markets for their products as well as reliable sources of finance.

I furthermore found it significant that the stakeholders identified little evidence of the barriers to mentoring, as highlighted by Stone and Coetzee (2005). In particular, no evidence emerged in this study of prejudice and discrimination or of the misinterpretation of sexual boundaries in cross-gender relationships.

This concludes the chapter on the findings and the discussion of the study. The conclusions of the study and recommendations are presented in the next chapter (Chapter 6).
CHAPTER 6
CONCLUSIONS AND RECOMMENDATIONS

This chapter is structured to include an introduction, a summary of this study, its conclusions, recommendations and a closing.

6.1 INTRODUCTION

South Africa faces the reality of low economic growth, high unemployment and unacceptable levels of poverty. Across the world entrepreneurship and the establishment of SMEs play a vital role in stimulating economies, uplifting living standards and overcoming poverty. SA has amongst the lowest entrepreneurial activity rates of developing countries (Von Broembsen et al., 2010: 7).

Job creation, through the start-up and growth of SMEs, is particularly needed in the previously disadvantaged socio-economic communities of the country. Women play an important role in creating these SMEs. The barriers faced by women SME owners who come from previously disadvantaged socio-economic backgrounds are numerous and formidable.

The ILIMA Trust, an initiative started by Old Mutual in 2007, aims to support these previously disadvantaged women SME owners mainly through the interventions of coaching and mentoring. The ILIMA Trust works in close conjunction with Masiszane, a sister company also started by Old Mutual, which provides loans to women SME owners at low interest rates. The Trust also has a relationship with the Old Mutual Foundation, which provides grants to causes that are in line with its stated objectives.

The problem that was addressed in this study was to determine the stakeholder experiences of the ILIMA Trust’s coaching and mentoring programme of Masisizane women SME owners and to identify ways in which it can be improved.

The main aim of the research was to establish the stakeholder experiences of the ILIMA Trust’s coaching and mentoring programme, as provided to the Masisizane SME owners, in order to improve the programme.

The key question underlying the research was: What are the stakeholder experiences of the effectiveness of the ILIMA Trust’s coaching and mentoring programme as provided to the Masisizane women SME business owners?

The sub-questions flowing from the above were:

a) What are the stakeholder perceptions and feelings regarding the programme?
b) How effective was the programme in providing SME owners with the knowledge, skills and confidence to start up and grow their enterprises?

c) How can the programme be improved?

Following a summary of the preceding chapters of this study, the conclusions reached in respect of the above questions are presented in this chapter.

6.2 SUMMARY OF THE STUDY

This study commenced with a brief overview of the importance of the role that women SME owners play in the SA economy and other developing economies in the world. Literature describing the increase in women who start up and manage SMEs in these economies and SA was presented in Chapter 2. The characteristics of these SME owners, their experiences of the barriers they face at points of entry and in their efforts to grow their enterprises, were highlighted. Literature pertaining to their experiences of the use of training as an intervention to provide them with the knowledge, skills and confidence to perform their tasks was reviewed. The view that training does not provide a perfect answer to the needs of these women (Raffo et al., 2000) was also put forward.

Chapter 2 also explored the experiences of women SME owners of the use of coaching and mentoring as interventions to meet the same needs. The appeal from Rae and Carswell (2001) that the learning needs of entrepreneurs who come from previously disadvantaged backgrounds should be addressed through a combination of coaching, mentoring, training and education, was highlighted. The chapter concluded with an overview of SA legislation and agencies supporting entrepreneurship and the establishment of women SME owners.

While Chapter 3 described the research methodology and ethical considerations pertaining to this study, Chapter 4 set out the strategy and logic model of the ILIMA Trust. The data analysis, interpretation and findings of the study were presented in Chapter 5, together with a discussion on pertinent linkages to the literature reviewed in Chapter 2.

6.3 CONCLUSIONS OF THE STUDY

The conclusions of the study are summarised under the following headings:

- Stakeholders’ perceptions and feelings regarding the programme
- The effectiveness of the Trust in providing SME owners with the knowledge, skills and confidence to start up and run their businesses
- The improvement of the programme

6.3.1 Stakeholders’ perceptions and feelings regarding the programme

The stakeholders’ perceptions were that a blend of coaching, mentoring and business training were used as the major interventions by the ILIMA associates to transfer knowledge and skills, and
to engender confidence in SME owners. These perceptions support the views of Rae and Carswell (2001) that coaching and mentoring, in combination with education and training, provide the ideal combination of interventions to meet the needs of entrepreneurs.

Stakeholders described how these interventions contributed to improved business performance of the SMEs as manifested in their financial results, clarity of business direction as well as increased levels of ownership and accountability. Other impacts described were improved team dynamics and cohesion through better role clarity and communication processes. Of particular interest was the view that the ILIMA Trust’s focus, which is to enable people by ‘teaching them to fish’ and in so doing to become independent, was the correct focus. This is in contrast to the culture of dependency, which is being perpetuated through the grants and donations that are provided through some other organisations.

Of the 15 SME owners who participated in the study, many commented on how their expectations of how the ILIMA Trust had been either exceeded or met. In one instance, an owner voiced her disappointment and asked for more help. This owner created her business in a highly competitive industry that attracts low margins to its products and needs high volumes of sales.

SME owners expressed feelings of peace of mind and happiness when describing the work of the ILIMA Trust. One particular group of owners expressed their feelings in song and dance during the data-gathering process.

It can be concluded that overall, stakeholders expressed positive perceptions and feelings regarding the work of the Trust. The evidence recorded supports the view that the vision of the Trust, which is “To make a meaningful difference by enabling people” (ILIMA Trust, 2007a:1) was made a reality for this particular group of SME owners. The findings reported also suggest that the Trust is nurturing long-term relationships with SME owners, as stated in its vision and discussed in Chapter 4.

6.3.2 The effectiveness of the Trust in providing SME owners with the knowledge, skills and confidence to start up and run their businesses

The respondents in the study provided examples of significantly increased knowledge and skills in a wide range of topics which included running a business, strategic and business planning, financial management, marketing, human resource management, resolving problems related to people, problem solving in general, buying equipment, implementing effective processes, record keeping and stock control. Several SME owners also reported personal growth through improved self-insight. The value of coaching in developing SME owners’ knowledge of and insight into their strengths was also noted, in line with findings in the literature.
The findings showed that in many instances SME owners were applying the new knowledge and skills learned. The value of repeated practice and reinforcement through positive feedback and the resultant increase in levels of confidence was emphasised as critical elements in the learning process. The growth in confidence of SME owners at both a personal level and as managers of their SMEs was documented in the study. Owners also expressed optimism about the future of their SMEs.

It was noted, however, that despite the growth in SME owners’ levels of knowledge, skills and confidence, several respondents expressed the need for continued support from the ILIMA Trust in specific areas such as financial management and marketing.

6.3.3 The improvement of the programme

The stakeholders who were interviewed reported several strengths of the coaching and mentoring programme. The high level of commitment of the ILIMA associates to see the SME visit the owners at their places of work, even in remote rural areas, was seen as an asset. The business experience, networks and contacts of the associates to access financial support were reported as valuable resources on which to draw. The ability of the associates to focus on the individual development of the SME owners and to explain business concepts in a systematic way was highlighted as strengths in their approach. The stakeholders who were interviewed appreciated ILIMA Trust’s individualised approach to coaching, mentoring and providing practical support, on site, to SME owners.

The research shows that the programme can be improved by developing a closer relationship with SME owners by encouraging the ILIMA associates to speak to SME owners in their own language, being located closer these owners and visiting them on a more regular basis. Owners also asked for more assistance in finding markets for their products.

Recommendations emanating from this study are discussed in the following section.

6.4 RECOMMENDATIONS EMANATING FROM THE STUDY

Three aspects of the recommendations stemming from this study are dealt with in this section:

- Recommendations to improve the ILIMA Trust’s coaching and mentoring programme
- Recommendation to the Masisizane Company
- Recommendations for further research to be conducted

6.4.1 Recommendations to improve the ILIMA Trust’s coaching and mentoring programme

Using the areas of strength of the ILIMA Trust, it is recommended that a network of associates be established in geographic areas close to SME owners. These associates need to visit SME owners on at least a weekly basis to monitor progress and reinforce learning. The associates should speak...
one of the local indigenous languages, if only it is to greet owners, to enquire how they are and to offer words of encouragement. This will act as a sign of goodwill towards the SME owners on the part of the ILIMA associates. It should also contribute greatly towards putting owners at ease and creating a climate that is conducive to learning. In addition, the services of a local interpreter could be employed to enhance communication and involve the local community on a wider basis.

Where SME owners work together, such as in co-operatives, the concept of peer coaching, as set out in the literature review, could be introduced as an integral part of the overall coaching programme. An anticipated benefit will be the regular reinforcement of new skills and knowledge gained by SME owners.

To complement the coaching and mentoring support, it is furthermore recommended that the ILIMA Trust establish a specific unit that will offer a consultation service to SME owners in order to help them find new markets for their products. It is suggested that this unit should consist of a group of experienced specialists who understand marketing and distribution in SA and who are well connected to retail networks. By providing this additional consultancy service, the ILIMA Trust should be able to meet the need of SME owners for a blended package of services, which includes coaching, mentoring, business training, advice and introductions to new markets for their products as well as to reliable sources of finance.

6.4.2 Recommendations to the Masisizane Company

The study showed that four of the eight businesses included in this study competed in markets that were highly competitive, attracted low margins and required high-volume sales. Therefore, the SME owners’ choice of markets and products could be working against them. One of the SME owners specifically asked for more help (see 5.3.2.4).

The ‘Pink Ghetto Myth’ as defined by Adler (1999: 5) may well be a reality to these owners. It is recommended that the ILIMA Trust remind the Masisizane Company of the risk of providing loans to businesses that will struggle to compete under such conditions.

6.4.3 Recommendations for further research

Three areas of possible research flow from this study:

A limitation of this study was that I, as the managing associate of the ILIMA Trust, conducted the research and evaluated the programme I designed and still manage on a day-to-day basis. However, a qualitative study of this nature was beneficial as it helped me to reflect on the work of the Trust. Therefore, it would be of great benefit if an independent evaluation could be undertaken on the coaching and mentoring programme provided by the ILIMA Trust to the Masisizane SME owners.
A second area of possible further research would be to compare the work done by similar organisations with that of the ILIMA Trust. Other organisations like SEDA, which is a government-sponsored organisation, and Shanduka Black Umbrellas, which is a non-profit company in the private sector, perform work that is similar to that done by the ILIMA Trust. The objective of such suggested research would be to study the experiences of stakeholders of these organisations and to compare results with those obtained in this study.

A third area of potential research is presented by the possible establishment of the ILIMA Network of associates of coaches and mentors. Action research could be applied in the design, implementation and evaluation of such a network.

A fourth area of future research could be the development of a conceptual model that incorporates the elements of coaching, mentoring, business training and introduction to wider networks as a blended support system for SME owners. Special attention could be given to the nature and phased introduction of these elements in order to optimise the learning and confidence levels of SME owners.

6.5 CLOSING

The main aim of this research study was to establish the stakeholder experiences of the ILIMA Trust’s coaching and mentoring programme, as provided to the Masisizane SME owners, in order to improve the programme.

The stakeholders expressed a variety of positive perceptions and optimistic feelings regarding the ILIMA Trust’s programme. The findings confirm that the Trust’s vision, “To make a meaningful difference by enabling people” (ILIMA Trust, 2007a), was experienced positively by the respondents of the study. The knowledge, skills and confidence levels of the women SME owners increased significantly due to the blended programme of coaching, mentoring, business training and support network of the ILIMA Trust.

Four specific areas for improvement, as well as the numerous strengths of the programme, were identified. The recommendations made are practical and achievable. The optimism about the future of their SMEs, as expressed by the owners, is shared with regard to the future of the ILIMA Trust.
REFERENCES


Dear Madam

Information Letter: Informed consent to participate in research study

I am doing a research project as part of my studies (an MPhil in Management Coaching) through the University of Stellenbosch Business School.

You are invited to volunteer for the research project. This information letter is to help you decide whether you would like to participate in the study. Before you agree you should understand fully what is involved. You should not agree to participate in the study unless you are completely satisfied with the procedures involved.

The purpose of the research is to find out what the experiences of business owners like you are, who have been coached and mentored by the ILIMA Trust. We want to improve the programme and your views will help us to do this.

Please be assured that ILIMA's support to your business will continue, no matter what your answers and suggestions are.

Participation in the study is voluntary (you do not have to take part). You are free to withdraw at any stage of the interview without saying why. You will in no way be disadvantaged if you do not want to be interviewed or if you want to withdraw.

Your answers to the interview questions will be confidential and your privacy will be protected at all times. There is no right or wrong answer to the questions. Your honest view and opinion is all that is needed. Your answers will be recorded and as soon as they have been transcribed (put on paper) the tapes will be cleared. The answers will be anonymous and nobody will know that you made them.

The interview will take an hour or an hour-and-a-half.

Once the research has been completed you will be advised what the results us and how we wish to improve the programme.

If you have any other questions or need further information, please feel free to contact me at 021 509 6287 or 082 453 8263.

Thank you for considering this request!

Jerry van Niekerk
ILIMA Trust
Jerry van Niekerk of the ILIMA Trust has provided me with a copy of the Information Letter explaining the reason for the research he is doing and how the information will be used.

Jerry has explained that my participation is of my voluntarily (of my free will) and I understand that my answers will not influence the support the ILIMA Trust is giving my business. This will continue as before. He explained to me that I may withdraw at any stage from the project without any disadvantage to myself. I have understood everything that has been explained to me and I was given the opportunity to ask questions.

I hereby give my consent to participate in this project.

............................................... ............................................... ..............................................
Respondent’s Printed Name Signature Date

............................................... ............................................... ..............................................
Researcher’s Printed Name Signature Date

............................................... ............................................... ..............................................
Witness’s Printed Name Signature Date
APPENDIX C
INTERVIEW GUIDES

Questions to SME Owners (English)

1. How, if at all, has the programme assisted you to set-up and run your business?

2. How, if at all, has the programme increased your knowledge about the following business actions?

2.2 Writing up a business plan (form, content, financials)

2.3 Planning your business (strategy, product, price, place, promotion)

2.4 Applying to borrow money

2.5 Sales and marketing (advertising)

2.6 Managing operations (purchasing and maintaining equipment, planning production, stock order and control, manufacturing, record keeping)

2.7 Managing people (recruiting, selection, appointments, performance management, salaries, industrial relations)

2.8 Controlling finances (cash flow and budgeting)

3. How, if at all, has the programme assisted you in the following activities?

3.1 Writing up a business plan (form, content, financials)

3.2 Planning your business (strategy, product, price, place, promotion)

3.3 Selling and marketing (advertising)

3.4 Managing operations (purchase and maintain equipment, production planning, stock order and control, manufacturing, record keeping)

3.5 Managing people (recruiting, selection, appointments, performance management, salaries, industrial relations)

3.6 Controlling finances (cash flow and budgeting)

4. What, if anything, can you now do differently because of the programme?
5. What, if any, change do you feel in your level of confidence to run your business because of the programme?

6. How do you feel about what you learned on the programme and why?

7. How much did you know about starting-up and running your business before the programme and how much do you know now?

8. To what extent has the programme met your expectations?

9. What, if anything, have you learnt about yourself as a person?

10. What are the strengths of the programme?

11. What are the weaknesses of the programme?

12. How can the programme be improved?

If there is anything you would further like to add to your responses please contact me telephonically at the number at the bottom of the letter I am leaving with you.

Thank you very much for your input.

Questions to SME Owners (Afrikaans)

1. Hoe, indien enigsins, het die program jou gehelp om jou besigheid op die been te kry en te bestuur?

2. Hoe, indien enigsins, het die program gehelp om jou kennis en vaardighede t.o.v. die volgende besigheidsaktiwiteite, te verbeter?

2.1 Die formulering van besigheidsplanne (vorm, inhoud, finansiële weergawe)

2.2 Die beplanning van jou besigheid (strategie, produk, prys, plek, promosie)

2.3 Aansoek doen om geld te leen

2.4 Verkope en bemarking (advertering)

2.5 Operasionele bestuur (aankope, onderhoud van masjinerie, bepanning van produksie, voorraad beheer, vervaardiging, rekord-houding)

2.6 Bestuur van mannekrag (rekrutering, keuring, aanstellings, prestasie-bestuur, vergoeding, arbeidsverhoudinge)
Questions to ILIMA Associates

1. How much did the SME owners know about starting up and running a business before the programme and how much do they know now?

2. What level of skill did the SME owners have in starting up and running their business before the programme and how much skill do they have now?

3. What level of confidence did the SME owners have in their ability to start up and run their own business before the programme and how much confidence do they have now?

4. What change, if any, have you seen in the behaviour of the SME owners since they joined the programme?

5. How do you feel about the coaching and mentoring programme and why?

6. To what extent is the SME owner applying the knowledge obtained in her business?

7. To what extent is the SME owner applying the skill obtained in her business?
8. To what extent has the programme assisted the SME owners in starting up and running their businesses?

9. What are the strengths of the programme?

10. What are the weaknesses of the programme?

11. How can the programme be improved?

If there is anything you would further like to add to your responses please let me know.

Thank you very much for your input.
APPENDIX D
FIELD NOTES

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1.1 Purpose of the field notes
The purpose of these field notes is to record the observations I make as I conduct the interviews with respondents during the data-gathering process. I intend to update the notes at the end of every day on which I conduct interviews with respondents. My main objective is to record what I note in the interviews, to reflect on what I learn from these observations and to understand the implications thereof.

The field notes will also serve as a “communication tool” to enable my supervisor and my examiner, as well as any other readers of the research report, to be aware of my observations and learning, as I proceeded through the data-gathering process. I have chosen not to divulge the names of the enterprises in these notes, because of my undertaking to, as far as possible, protect the anonymity of the respondents who provided the data.

1.2 Doing a test-run of the interviews

1 April 2011
The interview to test-run my planned interviewing process for SME owners was conducted with one of the co-owners of a food production business in the Western Cape. It lasted 40 minutes and I am thrilled with the richness of the data I obtained on the experience of the owner with the ILIMA Trust’s coaching and mentoring process.

The suggestion from Roger, my supervisor, that I take the respondents through the content of the Information Letter and that I ask them to sign the Informed Consent Form worked well. I stressed the fact that the ILIMA Trust’s support to manufacturing business will continue, no matter what the responses were during the interview. I pointed out where my letter recorded this assurance. The SME owner was pleased to see this and was eager to contribute to the study.

The owner preferred to speak Afrikaans and I was thankful that I translated the questions beforehand. I learned that she did not grasp the difference between gaining knowledge about a business activity and learning how to apply the knowledge in action. The responses gained from
the two sets of questions probing these areas were similar and she seemed confused that I was repeating myself.

On reflection, I realised that the two questions could be too similar in nature and I therefore decided to combine the questions by asking, “How, if at all, has the programme increased your knowledge and skill in the following areas?”

I also learned that my question, “What, if anything, can you now do differently because of the programme?” was a duplication of prior questions and that the SME owner felt I was repeating myself. I decided to delete this question.

The application of follow-up questions to either probe specific areas or clarify responses made, worked well. I also noted that that the SME owner did not ask me to clarify any of my questions and to explain what I was looking for. The process I went through of refining the questions contributed to producing clear questions that were easily understood.

By making the above changes to the questionnaire I have ended up with ten questions for SME owners, which I feel are streamlined and clear.

The interview to test-run my interviewing process for the ILIMA associates was conducted with the associate responsible for coaching and mentoring the owners of the food production business. The interview took thirty-five minutes.

The test-run showed that separate questions to test the level of knowledge and skill gained by SME owners through the programme, if any at all, were productive. The associate knew what the difference was. I there for decided to retain the questions as planned.

One of the questions was “What change, if any, have you seen in the behaviour of the SME owners since they joined the programme?” I learned the question was a duplication of prior questions and I decided to delete it from the questionnaire.

I observed that the associate easily understood my questions and provided clear answers. Once again, it was easy to formulate follow-up questions to probe specific areas. His enthusiasm in sharing his perceptions of the programme was palpable and contagious.

The two test-run interviews were most productive and I am encouraged that responses of the SME owner and the ILIMA associate correlate with each other and confirm the issues raised. The end-result of the test-run process is that I am confident that I can proceed with the rest of the interviews. After nine drafts of the questionnaires I feel I have a sound set of questions!
1.3 Field Notes: the other interviews

4 April 2011

I conducted two separate interviews today with the other two co-owners of the food production enterprise, which is situated in one of the rural areas of the Western Cape. My observations were:

The changes I made to the questionnaire worked well and there was no sign of confusion due to the duplication of questions. I once again received good input on my questions and much data was recorded. Their eagerness to contribute impressed me. I was particularly pleased that using a recorder did not inhibit the responses. Both interviews were in Afrikaans.

The responses received aligned with those of the test-run interview and there is coherence in the experiences of the owners of this co-operative business. The SME owners were also very specific in their responses as to how the programme can be improved. Requests were made that the ILIMA Trust assists them in gaining access to buyers of large retailers in order to increase their sales. They, quite understandably, neither have the contacts nor the confidence to establish these relationships with large retailers.

I was struck by the intelligence of these owners. Both of them completed their schooling at Grade 12 level and went to work on local farms, picking fruit and working in the orchards. Their replies and suggestions were sharp and clear. They are clearly able to perform work at a higher level and are keen to take on greater responsibility as co-owners of this co-operative.

19 April 2011

I conducted a group interview with the three co-owners of a poultry co-operative outside Polokwane in Limpopo. Their educational levels varied from Grade 6 to Grade 12 levels. The one owner had a diploma in agricultural management. The business is run in a deep rural setting far away from amenities. The use of an interpreter during the interview ensured a lively discussion with comprehensive replies to my questions.

All the ladies spoke with confidence and conviction about their business and what they experienced during the coaching and mentoring programme. The fact that I interviewed them as a group, seemed to bolster their confidence. They share the leadership of the co-op and are proud that they have been able to grow their business from having 20 chickens two-and-a-half years ago to the present level of 2 200 chickens.

What was disconcerting was that the SME owners insisted on sitting on the ground and I had to sit on a chair. They explained this was their custom. During the interview they responded with song and dance to some of my questions, e.g. “How do you feel about what you learned on the programme?” They were clearly elated about the support they had received from the ILIMA Trust.

Student No. 10455795
It was evident that they had a lot to say and did not hold back – an amazing experience! I was struck by the can-do attitude of these ladies and the frugal way in which they managed their finances.

One SME owner in particular came across as the most confidant and best qualified owner I had interviewed thus far. She personifies an example of where “confidence grows success”.

20 April 2011

Today’s interview was with the owner of a beauty product distribution business in a rural area outside Tzaneen, Limpopo. The interview was held in the lounge of a farm house.

Although the owner was educated to Grade 8 level before she married, she speaks English confidently and has a wide business experience.

She initially spoke with assertiveness and clarity, particularly relating to the operations and sales side of her business. When probing what she had learned about the financial side of her business she was hesitant and uncertain. She struggled to answer my questions. I knew that she had fallen behind in repaying her loan and I suspected that she was afraid that the ILIMA associate who was supporting her would enquire what she had done with the money. After the interview, she admitted that she had used some of the loan money to “help out my family”.

The owner expressed her disappointment that the ILIMA Trust had not given her more help in managing her finances properly. I appreciated her candour.

I was also struck by the fact that she clearly needed more help in managing her business and that the ILIMA Trust associate needed to increase the frequency of his interactions with her.

21 April 2011

My first interview of the day was with the owner of a funeral services business in a small Free State town. The lady has a Grade 12 education level.

The interview was in Afrikaans and the owner spoke with great confidence about her business although admitting up front that she was having trouble meeting her loan repayment commitments. She carefully thought about her responses before speaking and wanted to use the interview to obtain input on how to grow her customer base and catch up on her loan repayments. I asked her to hold her questions until the interview was completed.

My sense is that, like the prior business owner interviewed, she needs help to address the financial management of her business. She also seems to be somewhat isolated and could benefit from more frequent interaction with the ILIMA associate.
I was struck by the humility of the business owner and the appreciation she showed for the assistance received from the ILIMA Trust. People like this lady make it most worthwhile working with them!

My second interview of the day was with the ILIMA associate who has served the SME owners in Limpopo and the Free State.

I recorded a good amount of data with sound suggestions as to how the programme could be improved. The responses were aligned with those of the SME owners I had interviewed. What struck me most was the associate’s view that the coaching and mentoring he did, brought about incremental learning which, if continually reinforced, lead to changes in behaviour after a period of time. There is no magic wand in this learning process. He is clearly committed to forming long-term relationships with SME owners he serves.

I sensed a high level of passion and dedication for the coaching and mentoring work the associate does.

3 May 2011

I interviewed a female associate of the ILIMA Trust who coaches and mentors SME owners in an urban setting. She joined the ILIMA Trust a year ago.

The associate was most articulate and had a lot to contribute in her responses. I particularly appreciated her understanding of the role she plays as a professional coach within the ILIMA team. Because of her experience as a coach, she made several suggestions as to how we could develop the work of the Trust further and take it to the next level.

I was struck by her insights on how important it is for SME owners to take responsibility for what they learn in their interactions with ILIMA associates – they need to work hard at applying what they learn.

After the interview, I was left with a sense that, by recruiting more new people into the Trust, we could inject fresh insights and approaches to the work we do.

4 May 2011

I conducted an interview in Afrikaans with two of the owners of a co-operative business outside Port Elizabeth, in the Eastern Cape. They asked that I interview them together. The co-operative produces shopping bags for Woolworths, is owned by 19 members and operates in an urban area. The ladies completed their education at Grade 8 and Grade 10 levels. The ILIMA Trust discontinued its support for this co-operative a few months ago, after Volkswagen SA had taken it over as one of its CSI projects.
Although the owners answered my questions with confidence I sensed despondency as they had fallen behind in their production. They also said they felt pressurised to pay higher salaries (which they could not afford) by the other co-operative owners who were not Board members.

In contrast to the harmonious relationships I encountered with the poultry co-operative on 19 April, I found that these owners were battling to deal with expectations and tensions inside their group. The owners wanted more pay but the business could ill afford. The owners were looking for help to deal with their dilemmas and voiced this need during the interview.

The fact that the ILIMA Trust had recently withdrawn from working with this co-operative business brought some clear and objective messages to the questions I asked. At the end of the interview, I made a commitment to finding or further assistance for the co-op leaders.

A second interview was held with a third owner of the co-operative who could not join the first interview because she arrived late at work.

The owner has a post-matric diploma and was most articulate and passionate in her responses, which were fully aligned to those I received in the prior interview. She voiced strong opinions and was also very concerned about the future of their co-operative business.

She did not hold back in her responses and spoke directly. I was struck by the level of confidence and sophistication of this respondent.

**5 May 2011**

I conducted an interview with three ladies who are the board members of a co-operative outside Plettenberg Bay in the Western Cape, which produces fine bedding and bathroom products. Their education levels vary from Grade 8 to Grade 11. The ladies asked if I could interview them together.

The interview was conducted in a room which had several flip chart pages pasted up against the walls with notes from planning and problem solving sessions the ILIMA associate conducted with them. They referred to these notes to provide concrete examples in their replies to my questions.

The owners were enthusiastic in their responses and wanted “to talk straight”. Although they understood it was an interview they were hungry to learn and posed new questions in their search to improve their business skills. I, however, unfortunately found another co-operative business, which was in trouble due to diminishing orders from a major client. The ladies expressed their anxiety as they asked for help to grow their client base and increase their sales.

I conducted my second interview of the day with the ILIMA associate who has been serving the SME owners in Uitenhage and Plettenberg Bay.
I was surprised that having our interview recorded seemed to unsettle him and I had to allow him a
good amount of time to collect his thoughts and express his views. He seemed to formulate his
responses in a cautious manner. We discussed this observation after the interview and he confided
that he dislikes being recorded and that he had endured previous experiences of being misquoted
after interviews.

The associate felt that he was far more of a mentor than a coach and that he liked sharing his
experience and providing practical support. He also expressed his gratitude for having the
opportunity to assist SME owners who came from a part of society he had never interacted with
before. The associate was a sales executive serving the higher end of the financial services market
before he joined ILIMA.

I again received good responses to my questions and some constructive suggestions were made
as to how the Trust could add value to our beneficiaries. A trend in the need of SME owners to
receive assistance in marketing their products and increasing their distribution channels was
confirmed during our interview and we discussed creative ways to address this.

6 May 2011

My interview was conducted with the owner of a business that produces and sells clothing in an
urban area of the Western Cape. The owner has been struggling to sell her products and voiced
her disappointment that the ILIMA Trust could not take responsibility for this part of her business.

She also said that she had hoped that she would receive a cash injection or a grant that would
alleviate her problems. The owner was explicit about both her positive and negative experiences of
the coaching and mentoring programme. It was also heart-rending to hear her account of the lack
of education she had – she only completed a Grade 4 at school – and how much she appreciated
the coaching and mentoring she received.

The reflection I took away with me from this interview was that the SME owner needed more than
doing and mentoring support from the Trust.

9 May 2011

The last interview was with an LIMA associate who has trained SME owners in aspects of business
as well as coaching and mentoring them. He has worked with more rural SME owners than urban
owners. The responses offered to my questions varied because of the wide variety of the work he
has done and the richness in his perspectives.

I was struck by the differences portrayed in the education levels and motives of SME owners –
some start businesses to increase household earnings to survive whilst others actively grow their
enterprises because of a distinct entrepreneurial drive. This has an impact on the receptiveness of
the coaching and mentoring done by the Trust. The trend seems to be that the earnest entrepreneurs are far fewer in number and that greater results are of course achieved with them.

Good evidence of critical thought on the work of the ILIMA Trust was exhibited by this respondent and several ideas to improve the approach of the Trust emerged. Good points offered included the necessity for ILIMA associates to be able to speak a black language and visit SME owners more frequently.

The interview offered many points for me to reflect on!
## APPENDIX E

### SUMMARY OF DATA ON SME OWNERS AND PRODUCTS

<table>
<thead>
<tr>
<th>ME Owner No.</th>
<th>Age</th>
<th>Education Level</th>
<th>Province U:Urban R:Rural</th>
<th>Product and Service Type</th>
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<tr>
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<td>61</td>
<td>12</td>
<td>W. Cape (R)</td>
<td>Food Production</td>
</tr>
<tr>
<td>2</td>
<td>31</td>
<td>12</td>
<td>W. Cape (R)</td>
<td>Food Production</td>
</tr>
<tr>
<td>3</td>
<td>33</td>
<td>12</td>
<td>W. Cape (R)</td>
<td>Food Production</td>
</tr>
<tr>
<td>4</td>
<td>48</td>
<td>12 plus Diploma</td>
<td>Limpopo (R)</td>
<td>Poultry</td>
</tr>
<tr>
<td>5</td>
<td>63</td>
<td>12</td>
<td>Limpopo (R)</td>
<td>Poultry</td>
</tr>
<tr>
<td>6</td>
<td>58</td>
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<td>Limpopo (R)</td>
<td>Poultry</td>
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<td>7</td>
<td>62</td>
<td>8</td>
<td>Limpopo (R)</td>
<td>Beauty</td>
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<td>41</td>
<td>12</td>
<td>Free State (R)</td>
<td>Funeral</td>
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<td>E. Cape (U)</td>
<td>Shopping bags</td>
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<tr>
<td>11</td>
<td>42</td>
<td>12 plus Diploma</td>
<td>E. Cape (U)</td>
<td>Shopping bags</td>
</tr>
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<td>12</td>
<td>37</td>
<td>12 plus Diploma</td>
<td>W. Cape (R)</td>
<td>Bedding &amp; bathroom</td>
</tr>
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<td>40</td>
<td>12 plus Diploma</td>
<td>W. Cape (R)</td>
<td>Bedding &amp; bathroom</td>
</tr>
<tr>
<td>14</td>
<td>42</td>
<td>8</td>
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<td>15</td>
<td>48</td>
<td>4</td>
<td>W. Cape (U)</td>
<td>Clothing</td>
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APPENDIX F
LIST OF CODES USED IN THE DATA ANALYSIS

- Expectations of stakeholders
- Expectations exceeded
- Expectations met
- Expectations not met
- Feelings of stakeholders about the programme
- Business impact made
- Growth experienced in confidence as business owner
- Growth experienced in personal confidence
- Growth in confidence observed
- Growth in knowledge and skill: Business management
- Growth in knowledge and skill: Planning strategy
- Growth in knowledge and skill: Planning operations
- Growth in knowledge and skill: Financial management
- Growth in knowledge and skill: Marketing
- Growth in knowledge and skill: Human resource management
- Growth in knowledge and skill: Managing people problems
- Growth in knowledge and skill: Decision making
- Growth in knowledge and skill: Purchasing equipment
- Growth in knowledge and skill: Establishing processes
- Growth in knowledge and skill: Stock control and record keeping
- Strengths of programme: Commitment to succeed
- Strengths of programme: Individual approach
- Strengths of programme: Accessibility
- Strengths of programme: Networks and experience
- Strengths of programme: Access to finance
- Strengths of programme: Approach to mentoring and coaching
- Improvement needed: Language
- Improvement needed: Closer location
- Improvement needed: More frequent visits
- Improvement needed: Marketing and distribution support
- Improvement needed: Financial management support
- Improvement needed: Language
- Ideas to improve the programme
APPENDIX G
LIST OF THEMES IDENTIFIED FROM THE DATA ANALYSIS

- Expectations of stakeholders i.r.o. the programme
- Perceptions of stakeholders i.r.o. the programme
- Feelings of stakeholders i.r.o. the programme
- Impact made by the programme
- Growth in knowledge and skill of SME owners
- Growth in confidence levels of SME owners
- Strengths of the programme
- Development areas of the programme
- Development plans for the programme