



VENTURENEER

BUILDING SUCCESSFUL ENTERPRISES WITH HEART

Use and Value of Resources by Small Business Owners and Nonprofit Leaders

**A Survey Conducted
by Ventureneer**

September, 2009



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Please feel free to post this study on
Your website or blog. Or, email it to whomever
You think would benefit from its contents

THANK YOU.

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OBJECTIVES

The importance of professional development is well-documented by anecdotal evidence but little quantitative research existed ... until now. This summer, Ventureneer.com, an online education and peer-support service, conducted an online survey to fill that gap. Owners of small businesses and leaders of nonprofit organizations were asked how they use – and what value they give to – business association memberships; online and in-person classes; networking; and advice/guidance from peers and professionals. The brief survey had nine questions and took about 3 to 5 minutes to complete.

To gain greater insights, results were segmented by revenue change between the last fiscal year and the previous one. Revenue categories were:

- Down 1% or more.
- Stable.
- Up 1% or more.
- Up 10% or more.

The survey was undertaken to quantify:

- Which professional development resources are used?
- How much is each resource used by different segments?
- How does use of each kind of resource correlate with or change as an organization becomes more successful?

HIGHLIGHTS

SEEKING SUPPORT

Making connections and building mutually beneficial relationships through networking is critical for entrepreneurs and nonprofit executives alike. However, small business owners who are struggling are most likely to use these resources. When revenues are down, owners of small companies make greater use of the most popular *local* external resources by:

- Joining more state/local organizations.
- Networking more, both in person and online.

Struggling small companies stay close to home, perhaps because of lack of money. They are far less likely to join national/international industry associations and networking groups.

Nonprofit leaders join organizations to the same degree as their small business counterparts. However, they network far less than entrepreneurs.

Interestingly, struggling entrepreneurs and leaders of growing nonprofits have something in common: Both are more likely to seek advice from peers and professionals, such as accountants, lawyers, and bankers. These outside resources provide a different perspective, spark new ways to view issues, and sharpen debate. Sometimes outside sources make a specific recommendation to help solve a problem; at other times, they just provide a fresh viewpoint.

The difference between advice and networking is subtle. Networking is more informal and generally involves give-and-take, like a conversation. Advice is more formal, directive, and one way.

Struggling entrepreneurs are more open to suggestions and accept advice even when they have yet to establish a strong relationship with their advisor. When business is down, they listen.

On the other hand, leaders of growing nonprofits are more likely to have built working relationships with their counterparts. Rather than needing to network for contacts, these leaders tend to know and trust the peers and professionals they will ask for an opinion.

TRAINING AND DEVELOPMENT

Small business owners and nonprofit leaders rely on a variety of professional development tools including:

- networking events
- seminars/workshops
- conferences/trade shows
- peer-to-peer advisory groups
- undergraduate and MBA/graduate classes

No method of training stood out as a top choice; however, a significant minority of struggling entrepreneurs and leaders of growing nonprofits rely on seminars/workshops. Very different dynamics drive the choices made by these entrepreneurs and executives. Nonprofit leaders are driven not only by the desire for personal improvement, but also by funders and boards that may require participation in professional development.

Whether it is cost, time commitment or something else, few small business owners and nonprofit executives take college or MBA/graduate-level courses, either in person or online. They're much more likely to take in-person or online seminars and workshops.

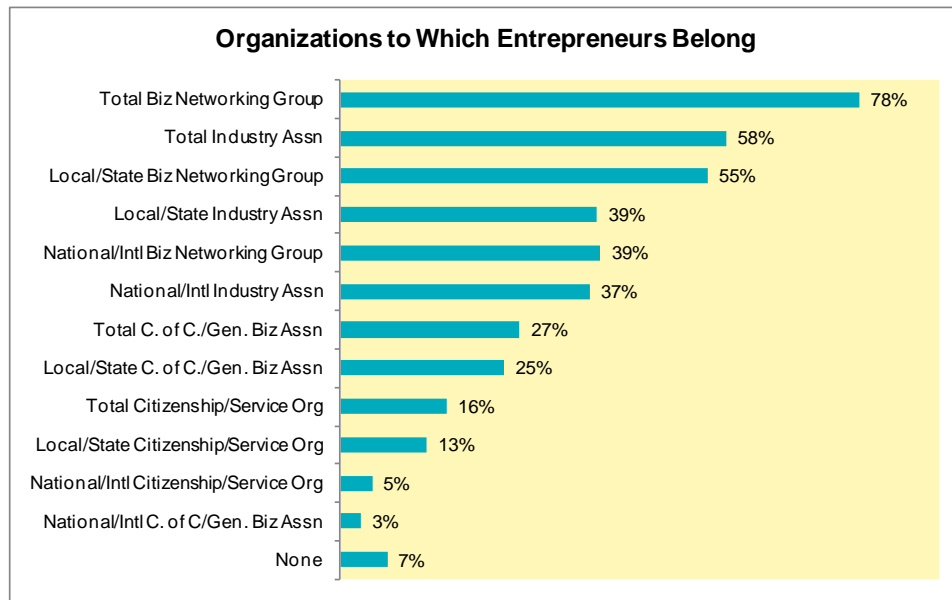
What separates nonprofit leaders from small business owners is that *successful* nonprofit leaders are likely to pursue professional development while owners of small businesses pursue professional development when their business is struggling.

RESULTS

SMALL BUSINESS OWNERS

ENTREPRENEUR MEMBERSHIP ORGANIZATIONS

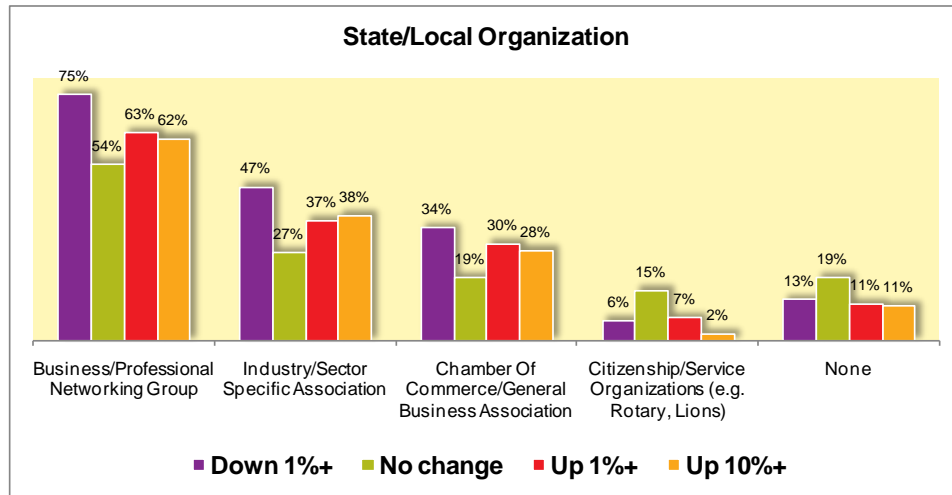
Most entrepreneurs – 93 percent – see the value of membership organizations. They most frequently join networking groups; their strong second choice is industry associations.



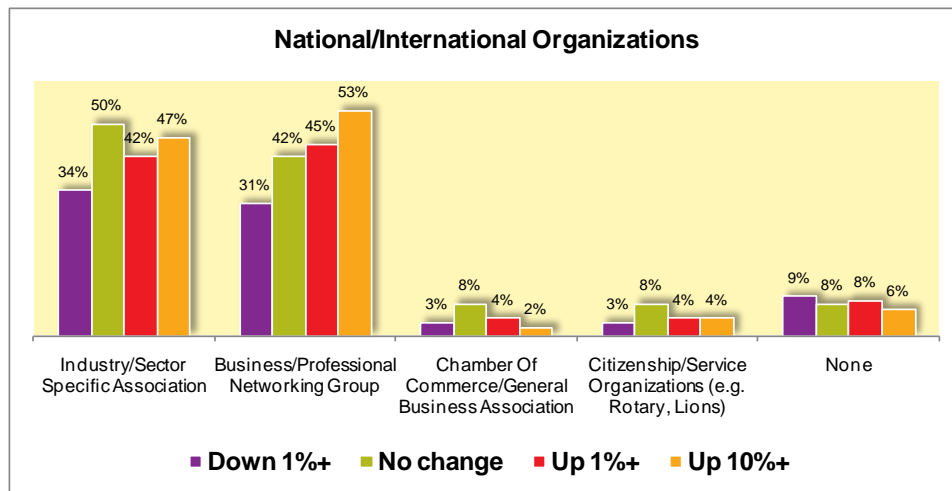
For additional analysis, read: [Research on Entrepreneurs: Membership in Business Networking Groups Proliferates](#)

When a small business isn't thriving, its leaders tend to increase their outreach to include state/local business organizations, such as networking groups, industry associations, chambers of commerce or general business associations.

- When revenues are changing – either up or down – small business owners are more likely to join chambers of commerce.



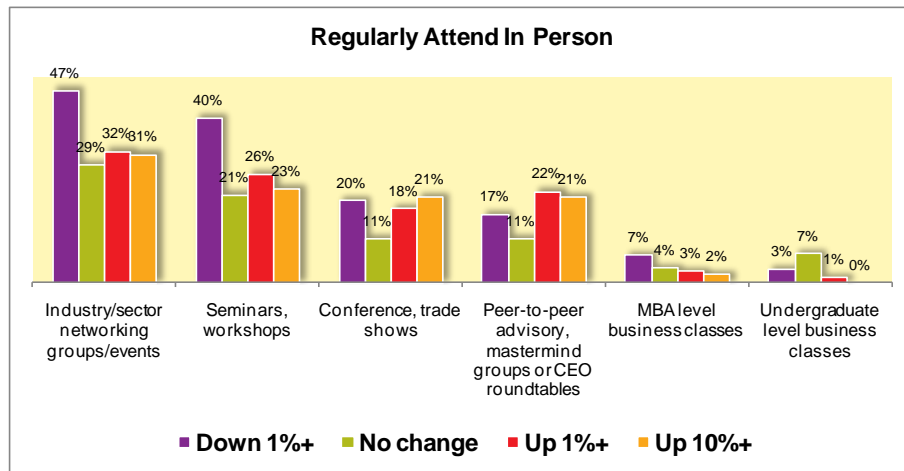
- Owners of stable and growing small companies are more likely to join national/international organizations, while owners of struggling businesses are more prone to belong to state/local organizations.



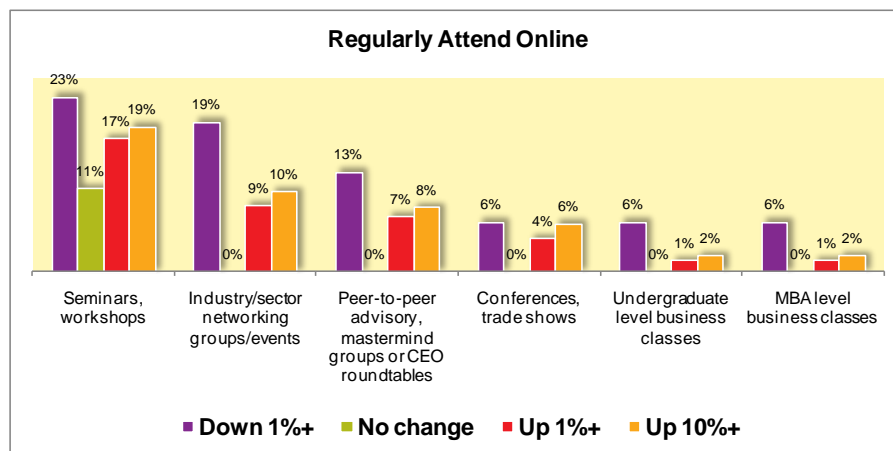
For additional analysis, read: [Research Confirms Entrepreneurs Turn to Networking for Help](#)

TRAINING FOR ENTREPRENEURS

- Struggling small business owners are more likely to pursue professional development by attending networking events and seminars.
- All entrepreneurs, but especially those who are struggling, are more likely to educate themselves through seminars and workshops rather than through college or MBA classes.
- When revenues are stable, small business owners are less likely to attend peer-to-peer advisory groups – mastermind groups or CEO roundtables – than when revenues are increasing or decreasing.



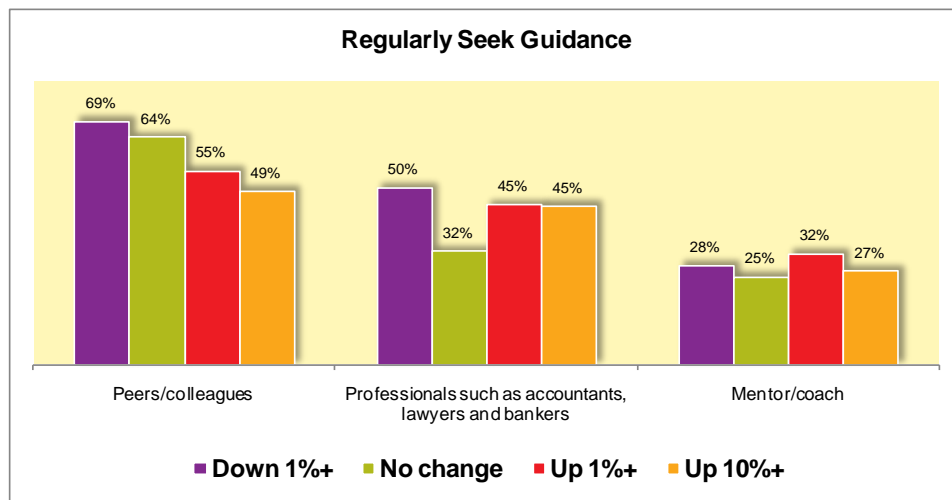
- Small business owners are beginning to go online for professional enrichment. When they do, they're most likely to take seminars and workshops.
- Owners of small companies with stable revenues are least likely to go online for professional enrichment. In fact, they haven't tried online networking, peer-to-peer advisory groups, conference/trade shows or college/MBA courses.



For additional analysis, read: [Entrepreneurs Prefer Seminars Over Degree Courses for Ongoing Learning](#)

SOURCES OF GUIDANCE FOR ENTREPRENEURS

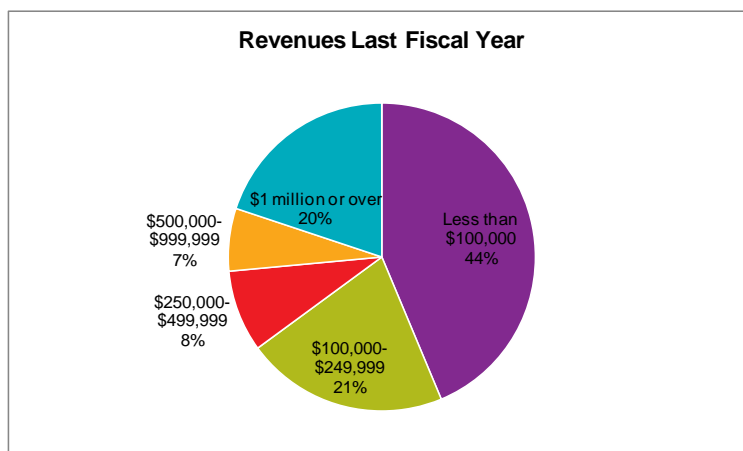
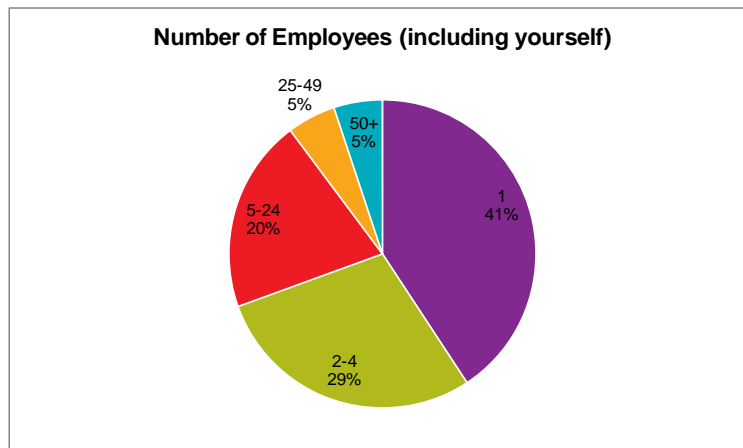
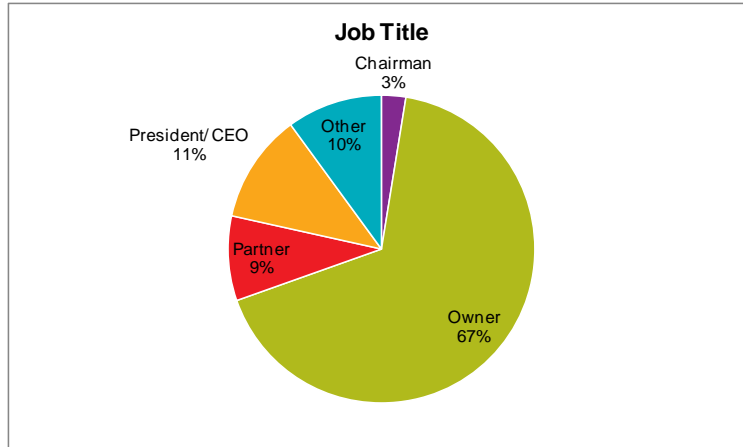
- Small business owners seek advice in several ways. However, they are most likely to turn to peers.
- When small business revenue is changing – up or down – owners are likely to reach out to accountants, lawyers, and bankers rather than fellow business leaders whose businesses are stable.



For additional analysis, read: [The Power of Peers: A Much Relied Upon Resource Among Small Business Owners](#)

DEMOGRAPHICS

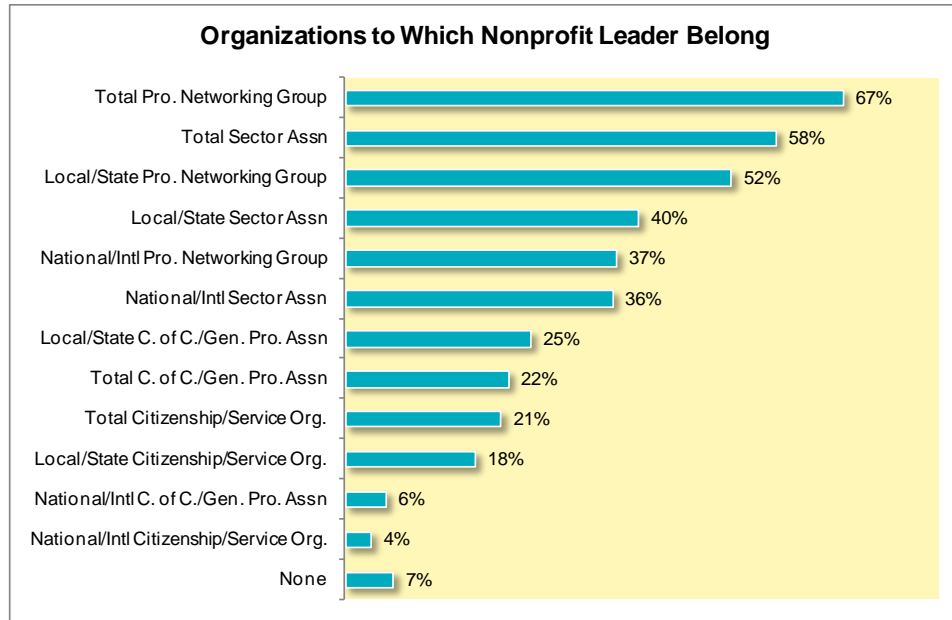
- Two-thirds of small business respondents refer to themselves as a business owner rather than president, CEO, chairman or any other formal title.
- Forty-one percent of small business respondents have no employees.
- Nearly two-thirds of small business respondents generate sales of less than \$250,000. The median revenue is \$143,000.



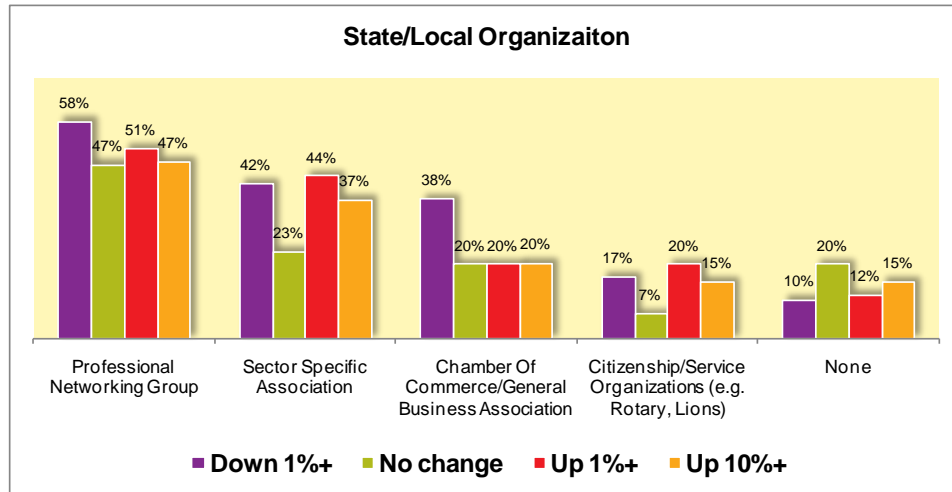
NONPROFIT LEADERS

NONPROFIT LEADER MEMBERSHIP ORGANIZATIONS

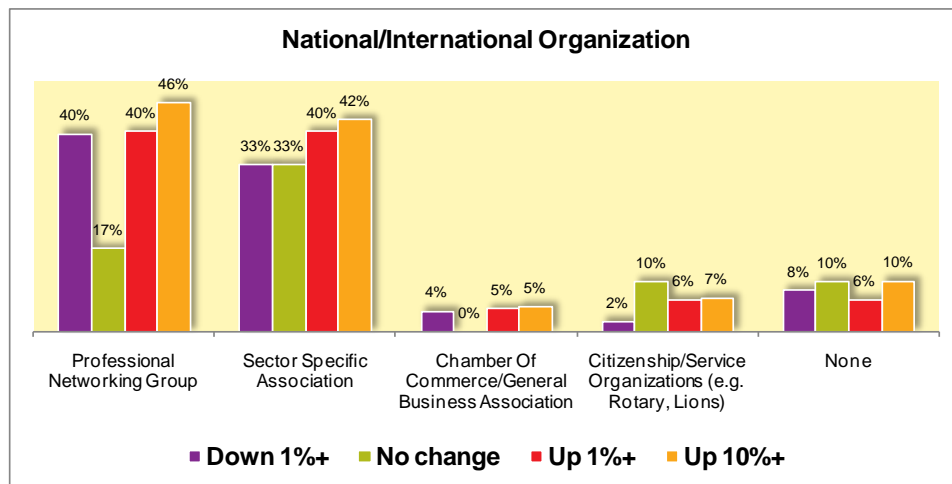
Most nonprofit leaders – 93 percent – value membership organizations. They are most likely to join networking groups; their second choice is sector associations.



Struggling nonprofit leaders belong to organizations that are close to home. Executives leading organizations with stable revenue are less likely to venture outside sector-specific associations and professional networking groups.

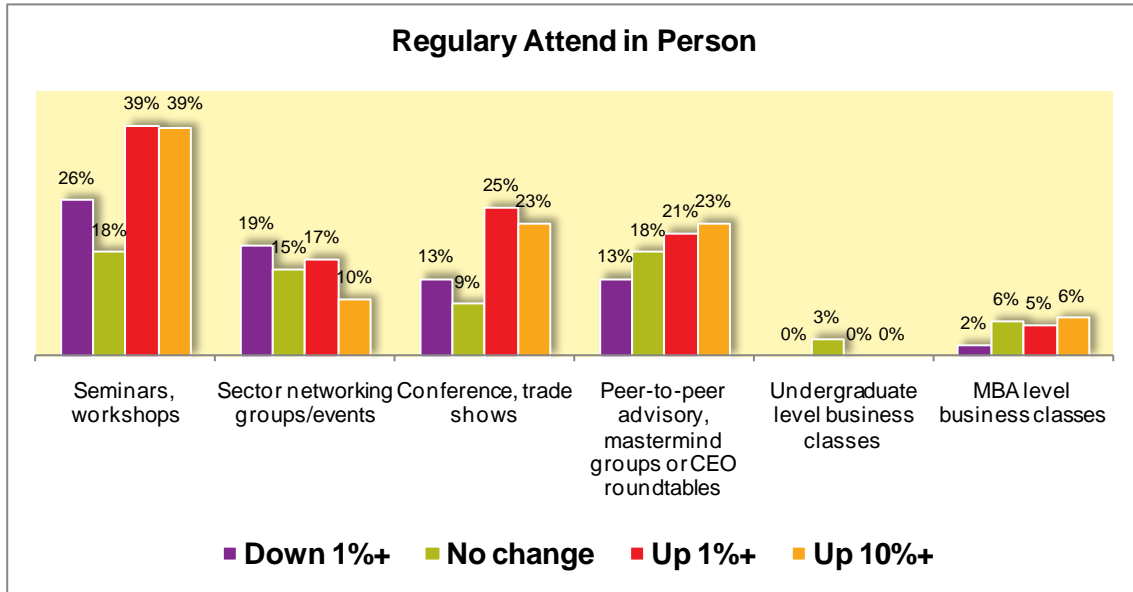


Leaders of high-growth nonprofits are more likely to extend their reach to national/international organizations.

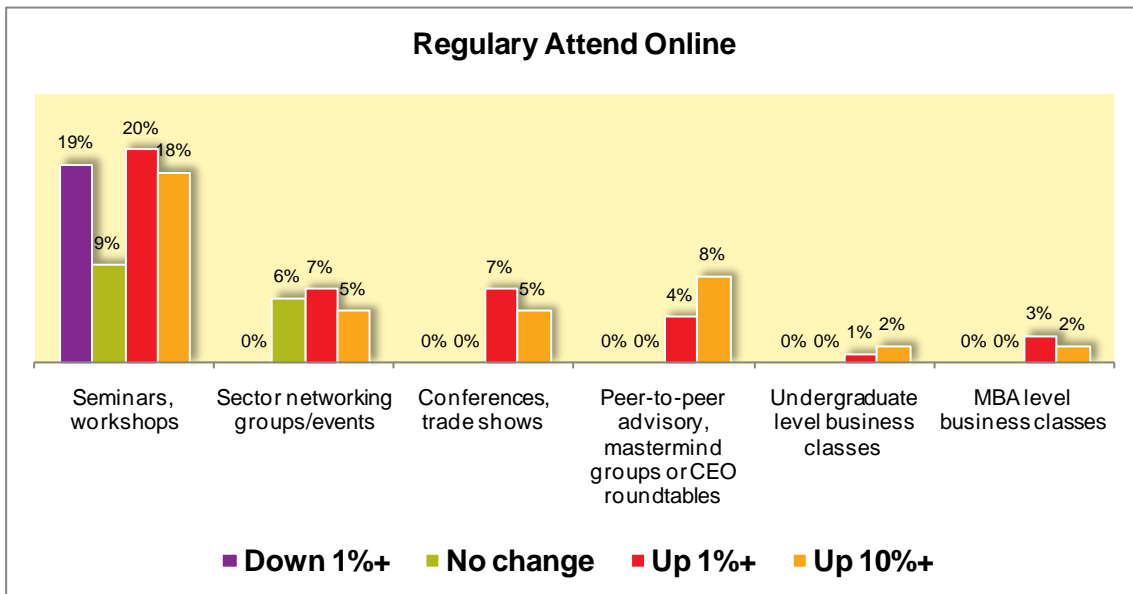


TRAINING AND DEVELOPMENT

Growing nonprofits value leadership training through peer-to-peer advisory groups, both in person and online.



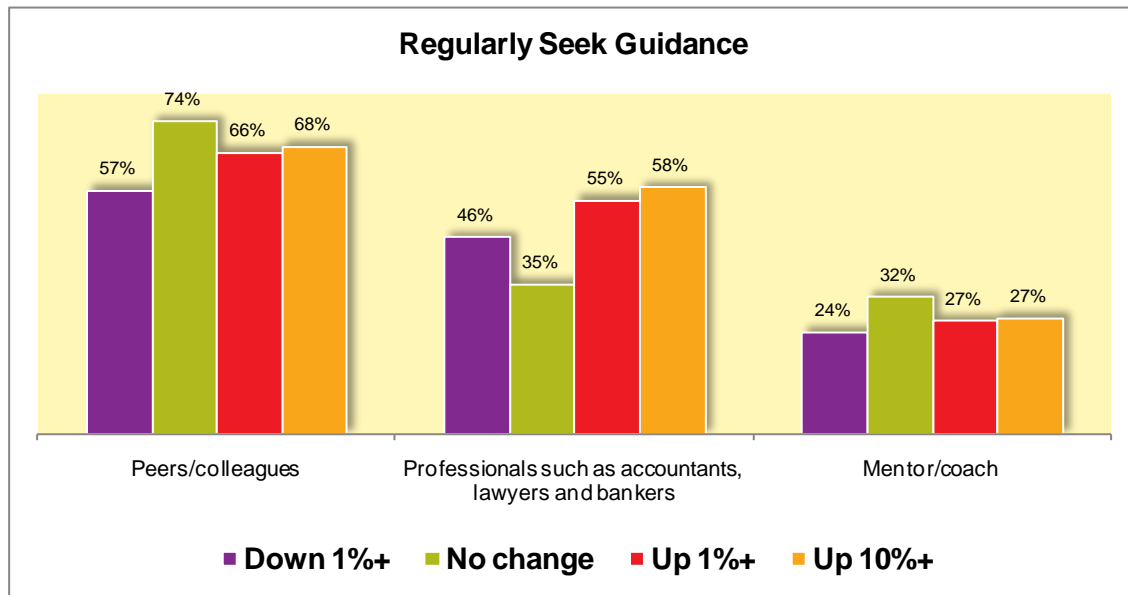
Webinars are becoming a popular form of training except among executives leading nonprofits with stable revenue.



SOURCES OF GUIDANCE FOR NONPROFIT LEADERS

All nonprofit leaders rely on their colleagues but leaders of struggling organizations are the least likely to do so.

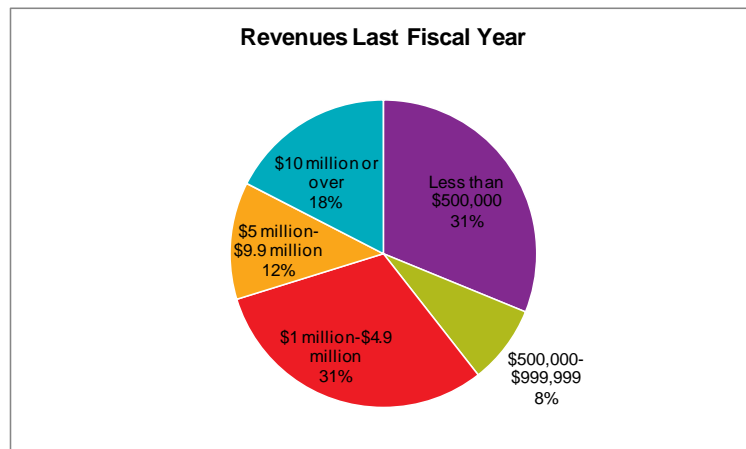
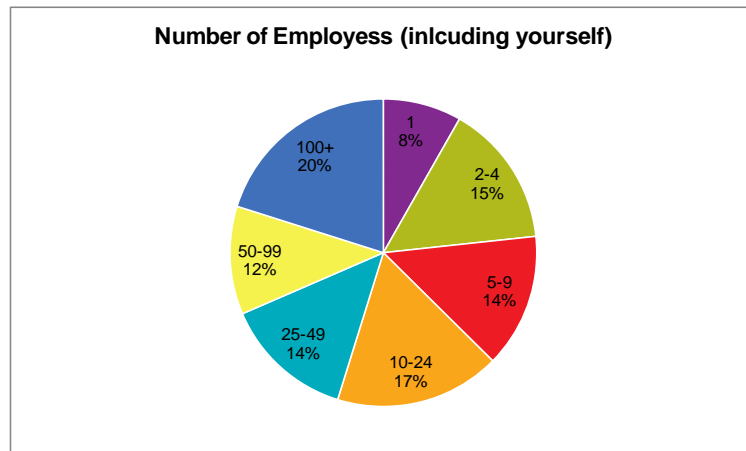
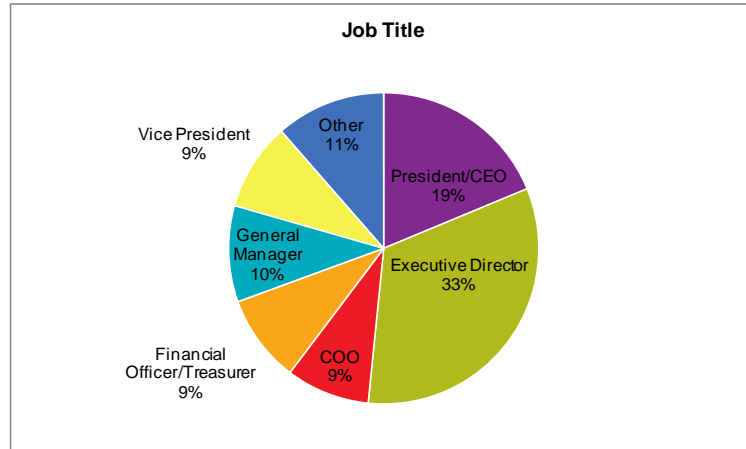
Executives who lead growing organizations are the much more likely to consult with professionals such as accountants and lawyers.



For additional analysis, read [Thriving Nonprofits Rely on Peers and Professionals](#)

DEMOGRAPHICS

- 61% of nonprofit respondents hold the top position in the organization.
- 54% of nonprofit respondents have less than 25 employees.
- 39% of nonprofits respondents have revenue of \$1 million or less.



METHODOLOGY

OVERVIEW

This online survey was conducted among small business owners and nonprofit executives from July 7, 2009, to August 14, 2009. To ensure a large and representative sample, the survey was sent not just to Ventureneer contacts but also to the small business and nonprofit lists of Ventureneer's partners and friends, who are listed below.

Ventureneer also tweeted and posted requests for survey-takers on LinkedIn, Facebook and JustMeans, as well as on appropriate small business and nonprofit discussion groups on LinkedIn. Ventureneer posted a request to take the survey on Vistas, its blog about [using surveys for marketing](#). In addition, Ventureneer sent out numerous press releases to small business and nonprofit publications.

Four hundred and fifty-two small business and nonprofit leaders responded to the survey.

DISTRIBUTION PARTNERS

Ventureneer teamed up with several companies to distribute the survey through their lists. To reach small business owners, we teamed up with [Jumpstart Social Media](#) and Network of Integrity. For nonprofits, we partnered with [Fiscal Management Associates](#), [Nonprofit Solutions Network](#) and [Social Returns](#).

FRIENDS

Friends of Ventureneer also helped spread the word about the survey. These included [e-giving](#), [Mi Kitchen Es Su Kitchen](#), [Nonprofit Finance Fund](#), [Red Rooster Group](#), [SBTV](#), [Support Center for Nonprofit Management](#), [The New York Enterprise Report](#) and [Your Best Interest LLC](#).

View the [questionnaire](#).

ABOUT VENTURENEER

Ventureneer is a new approach to learning: a blend of traditional, formal instruction with informal, peer learning that uses Web 2.0 technology to capture and share knowledge.

Ventureneer's customized Web 2.0 learning environment – blogs, virtual classes, peer-to-peer learning, coaching, web events and articles – provides entrepreneurs with the support necessary to make faster, better decisions for their enterprises.