Embedding small business and entrepreneurship training within the rural context

Lynne Siemens

Abstract: Rural small business owners face challenges that are not generally present in urban locations. As a result, they need training programmes that are specific to this context. This paper presents a framework for such a programme. First, the programme is based on the perspective that rural business owners are strongly motivated, but not necessarily by financial goals alone. Second, the owners must approach the issue of business development with the realization that multiple income sources may be required for business sustainability. Third, the primary resources are the owners themselves, along with their family, their business and their community – all available locally. Finally, the curriculum is delivered using examples of successful rural entrepreneurs.

Keywords: training; small business; rural entrepreneurship; economic development

In many developed countries, rural areas are undergoing significant changes stemming from global restructuring in natural resource-based and agriculture-based industries. One result of this trend is declining rural populations as residents and their families leave for employment elsewhere. In response, individuals, communities, governments and other support organizations are exploring ways to encourage economic development through entrepreneurship and small business (Dabson, 2003; Labrianidis, 2004). Driven by a desire to create and maintain a lifestyle in a particular rural location, many individuals are responding to this challenge with enterprises which capitalize on their unique rural locations and existing opportunities (Getz and Carlsten, 2000).

However, these owners and their small businesses face challenges that are not often experienced by those in urban settings. Besides addressing gaps present in telecommunications and transportation networks, social services and other standard business infrastructure, the owners themselves are often lacking in the necessary skills and capabilities required for business start-up and operations (Lyons, 2002). As a result, business education and training are needed to prepare these owners for the challenges of small business operation that are unique to rural areas (Bennett and Errington, 1995). With its implicit (and often explicit) focus on profit and growth, traditional business education may not be appropriate for this group. Instead, the training must be grounded in the realities of the rural context (Skuras et al, 2005b). Focusing on the development of business and management skills and an entrepreneurial orientation, the training can take the form of workshops of varying length developed by government and business support organizations, courses offered through universities and colleges, and mentoring relationships. Potential also exists to harness the Internet as a platform for the delivery of training and education and creation of a
support network among the participating businesses (Henry et al., 2005a and b; Lans et al., 2008; Redmond and Walker, 2008).

This paper will outline a framework for small business and entrepreneurship training and education which recognizes and builds on the rural environment. First, the rural context with its associated challenges to and opportunities for economic development will be outlined. In particular, the differences of an urban context will be explored, thus establishing the need for training for rural small business owners and entrepreneurs, both nascent and operating, to take a different approach from that of typical training programmes. Second, building from this, a framework for small business education in rural areas, along with its four components, will be outlined. The paper will conclude with next steps.

**Challenges and opportunities in the rural context**

Before establishing a framework for small business education in rural areas, it is necessary to understand the rural context, the characteristics of businesses that operate there and the challenges and opportunities that exist. Important differences exist between urban and rural owners and their businesses, which shape the nature of the training and education needed for rural business owners. This section will discuss the rural context with a focus on small business characteristics, challenges, opportunities and their differences as compared with urban enterprises.

**Characteristics of the rural context and small businesses**

Economically disadvantaged areas are found not only in developing areas of the world, but also in many regions within the developed world. Rural locations in particular face several challenges that can impede economic development – ones not often faced in urban settings. While the entrepreneurial process is the same in rural and urban areas, the rural context presents different constraints and opportunities (Stathopoulou et al., 2004). Although there is no agreed definition of ‘rural’, these areas typically share common characteristics. Rural areas tend to be characterized by low population densities, economic dependence on natural resources and agriculture, and being some distance from larger centres as measured by distance and time (Deavers, 1992; Robinson, 1990). Despite these commonalities, diversity exists among these communities in relation to their relative ease in accessing the larger urban centres with their concentration of population, customers, suppliers, partners, support organizations, etc and availability of natural amenities that might attract visitors and in-migrants (Blunden et al., 1998; Stauber, 2001).

Ultimately, the geographical location of a community and the availability of resources and opportunities to be exploited will influence the types of businesses that can operate there and the ease with which they can operate (Christaller, 1966; Gould, 1985; Howland, 1993).

Generally, in contrast to urban enterprises, rural businesses tend to be more service-oriented and smaller, as measured by the number of employees, revenues and profits. Many of these operations rely on family members as employees and operate from premises at their home (Mochrie and Galloway, 2004; Mochrie et al., 2006; Robinson, 2002; Williams, 2011). Furthermore, given the nature of the products and services offered, enterprises tend to have a local customer base, whether comprised of residents or community visitors (Mochrie et al., 2006; Williams, 2011; Raley and Moxey, 2000). Many rural businesses survive and thrive in tourism operations and local product manufacturing, such as food and crafts, related farm enterprises and other traditional areas (Anderson et al., 2001; Page and Getz, 1997; Carter, 1999). Finally, some enterprises have relocated from urban areas due to cheaper operating and labour costs or to take advantage of advances in telecommunications (Kalantaridis and Bika, 2006). In response to the challenges that will be outlined below, some enterprises may not operate fully within the formal economy, as outlined by Williams (2011), with some even participating in illegal activities (Reimer, 2001; Smith, 2004). As a result, it is difficult to treat these businesses as a homogeneous population (Westall et al., 2000).

The business owners themselves are also a diverse group. Some of these owners are well grounded in the industries in which their enterprises operate, while others have little experience of small business (McDonagh and Commins, 1999; Townroe and Mallalieu, 1993). Further, some individuals have grown up in their communities while others are in-migrants who are attracted to a particular area for the lifestyle and business opportunities it presents (McDonagh and Commins, 1999; Mochrie and Galloway, 2004). These owners include those who have not been traditionally considered as entrepreneurs, including farmers who are actively marketing their agricultural enterprises as well as spin-off businesses (Carter, 1998; McElwee and Bosworth, 2010). Finally, some evidence exists that long-time residents tend to start businesses with a focus on crafts, arts and other products that are based on local traditions, in contrast to in-migrants who are able to harness their connections with the ‘outside’ world to capitalize on products and services not bound to the local market (Kalantaridis and Bika, 2006). These owners are often motivated to create jobs and income for themselves and their family, especially in those locations
with limited employment opportunities, to be their own boss, and/or to capitalize on a business opportunity (du Plessis, 2004; Spilling, 1997). Finally, they generally desire a particular lifestyle in a specific region, and small business becomes one way to achieve this goal (Getz et al., 2004; McKenzie, 1998). Given these objectives, owners tend to focus more strongly on success defined in lifestyle and family terms, rather than purely in financial ones, while recognizing that some level of financial viability is necessary for ongoing operations (Getz and Carlse, 2000; Warren-Smith and Jackson, 2004; McElwee and Bosworth, 2010).

Challenges created by the rural context

The rural context presents primary challenges that small business owners must mitigate, which can be grouped into four categories: location as a function of distance, community characteristics, infrastructure gaps and time demands. These factors are interrelated and it is difficult to discuss one without reference to the others, or even to suggest which might be the most important and have the greatest impact on small businesses and their owners.

Challenge 1: Location as a function of distance. The impact of location as it relates to distance can be experienced in several ways. Rural areas are often located some distance – measured in a variety of ways – from urban centres where customers, suppliers, banks, advisers and support organizations tend to be concentrated. Given these distances, associated transportation costs may be higher than those experienced by urban enterprises (Raley and Moxey, 2000; Stathopoulou et al., 2004). In addition, the time, money and effort required to cover these distances can limit a firm’s ability to meet urban-based individuals and organizations on a regular basis (Beer, 2004; Stathopoulou et al., 2004). While they recognize that training is necessary and beneficial, owners and their staff may not be able to access it because they cannot afford to travel to the urban areas where it is offered (Bennett and Errington, 1995). The influence of these factors should not be underestimated, especially for those in more remote areas. In one study of the remote islands of Scotland, small businesses often needed two or more days to attend a short meeting on the mainland due to the distance and ferry and flight availability (Beer, 2004).

Challenge 2: Community characteristics. Several characteristics of rural communities create challenges for the small business owner. As discussed, rural communities are facing declining populations as people leave for employment and opportunities elsewhere (Skuras et al., 2005a). The remaining residents tend to be older and have lower average incomes, skills and education levels as compared with those in urban areas (du Plessis et al., 2004; Kalantaridis and Bika, 2006).

For those who remain, little opportunity exists to upgrade skills due to a relative lack of access to higher education and training opportunities (Freshwater, 2004; Kalantaridis and Bika, 2006). These communities also tend to have small labour pools, creating a shortage of qualified staff (Kalantaridis and Bika, 2006).

The rural business owners themselves are often lacking in management and business skills for several reasons. First, given the prevalence of single-employer towns in natural resource industries, individuals may have little opportunity to gain the necessary skills for business start-up and operation through their employment (Bryant and Joseph, 2001; Diochon, 2003). This also means that many owners start their businesses in sectors where they do not have previous experience (McDonagh and Commins, 1999; Tetelman and Popovich, 1993). Finally, role models may not be present to encourage and support other owners at critical stages of business start-up and development (Skuras et al., 2005b).

The smaller community population further limits local market size. As a result, business owners face constraints on revenue, profit and employment levels, as well as long-term enterprise sustainability. As a result, rural businesses may be smaller than those in urban locations (Robinson, 2002; Spilling, 1997). Furthermore, an owner may not be able to develop external markets due to distance and infrastructure gaps in areas of transportation networks, etc. In response, an owner often cultivates multiple income and employment sources to support both the business and his or her family (Beer, 2004; Briguglio, 1998; Carter and Ram, 2003). Ultimately, these businesses lack many of the strategic resources, such as trademarks, brand names, specific technology, etc, often deemed necessary for the creation of a competitive advantage (Barney, 1991; Mochrie et al., 2006).

Challenge 3: Key infrastructure gaps. The availability and condition of infrastructure can also present challenges for the owner and his or her business. Standard business infrastructure, including transportation networks, telecommunications, Internet and banks, plus social infrastructure such as schools and healthcare, may be limited, less developed or non-existent as compared with urban areas (Diochon, 2003; Labrianidis, 2006a). Governments cannot always address these gaps in an economical fashion due to the characteristics of rural areas, as discussed above. In the end, owners may need to fill any gaps themselves, at the cost of time, money and effort (Rightmyre, 2003). These gaps also impact on business operations and influence whether someone
remains in a community in the longer term (Diochon, 2003; Labrianidis, 2006a; Halseth and Ryser, 2006).

While advances have been made in telecommunications technology in rural areas, there are still challenges associated with its use. In many cases, high-speed Internet may not be available at all or it may be slow, expensive or subject to service interruptions (Beer, 2004; Labrianidis et al, 2004; Polese and Shearmur, 2002). Even when it is available, individuals with the skills to take full advantage of this technology may not be present in the community.

Another key component of infrastructure is access to banking services. Many rural communities are facing a decline in banking services, both with direct teller service and indirectly through automatic teller machines (Halseth and Ryser, 2004, 2006; Oborn, 2000). While Internet and telephone banking can be used to provide some services by allowing business owners to track transactions and their accounts, at a certain point, a business owner must visit a bank to arrange financing or make deposits and/or withdrawals (Petersen and Rajan, 2002). Again, given that these services are in urban locations, these trips can take additional time, money and effort to accomplish, all of which take away from a focus on the business.

**Challenge 4: Time demands.** One final challenge – namely that of great time demands – exists for rural small business owners. While all owners must juggle many tasks associated with enterprise start-up and operations, rural owners face additional time constraints that flow from the challenges associated with their rural location (Siemens, 2008). As discussed, many owners have multiple income and employment sources, diverting attention from core business tasks. Further, for many of these businesses, basic operating tasks, such as banking, meeting suppliers and customers, getting supplies in and moving products out, take more time, money and effort than that experienced by an urban enterprise.

As seen in Figure 1, the end result is a complex and unique context in which to operate a business.

**Response to challenges and opportunities**

In order to survive and thrive in this challenging environment, these businesses have devised several strategies to minimize the challenges. In terms of the limited local market, the owners diversify their core businesses, develop niche markets, export products and services beyond the community, and/or develop alternative income sources (Carter, 1998; Josephson, 2006; McElwee, 2006; Illouz-Winicki and Paillard, 1998). In particular, many businesses are part-time in nature, thus requiring owners to find a variety of income sources (Eikeland and Lie, 1999; Tetelman and Popovich, 1993). Common in rural areas, this is known by a variety of names, including pluriactivity (Carter, 1999; Eikeland and Lie, 1999), subsistence entrepreneurship (Smith, 2006), patchworking (Kibria, 1994) and jigsawing (Baines et al, 2002). These enterprises also navigate a limited labour pool by relying on family members and hiring locally, with the assumption that these people are more likely to stay longer term (Alos et al, 2003; Cromie et al, 2001; Getz et al, 2004). With regard to the challenge related to access to urban areas, the owners do the necessary work themselves to get supplies in and develop partnerships to facilitate supplies and product transportation (Byrom et al, 2003; Siemens, 2008; Phillipson et al, 2006). The owners also fill in infrastructure gaps themselves by operating without a need for bank financing, and work with the local community to improve Internet access (Labrianidis et al, 2004; Oborn, 2000). These owners are also investing in the local community as a way of building capacity and support.

---

**Figure 1.** The rural context.

- **Challenges**
  - Location as a function of distance
  - Community characteristics
  - Key infrastructure gaps
  - Time demands

- **Opportunities**
  - Niche markets
  - Diversification opportunities
  - Family support
  - Owner characteristics
  - Community support

- **Characteristics**
  - Low population density
  - Economic dependence on natural resources and agriculture
  - Distance from urban centres
Components of a framework for rural small business education and training

Given that the rural environment is comprised of challenges that tend to be different from the urban context, business education and training cannot merely duplicate that which is delivered in urban locations. Rather, this training must address the unique needs and perspective of the rural owners (Bennett and Errington, 1995; Skuras et al., 2005b). As argued by Hynes (1996), business education is not a ‘one-size-fits-all’ model and should be tailored to a particular group, as defined by industry (Curran and Stanworth, 1989), business size (Westhead and Storey, 1996), ethnic group (Mann, 1990; Muller, 2000), country (Nehrt, 1987) and particular regions (Skuras et al., 2005b) and should be grounded in the audience’s objectives and particular context.

As shown in Figure 2, this proposed framework starts from the perspective that rural business owners may be more oriented towards non-growth-oriented goals, such as the commitment to stay within their rural location and lifestyle, rather than purely by growth and profits (Galloway and Mochrie, 2006; Simpson et al., 2004). From that motivation and given the constraints of the rural context as outlined above, owners must approach business development from the assumption that multiple income sources will be required and that key resources do exist locally. Finally, the curriculum delivery method must also be grounded in the particular rural context where the businesses’ owners operate; it must also rely on local delivery and reinforce the potential of rural small business through examples and support from successful rural entrepreneurs. This framework reinforces the idea of ‘interconnectedness’ – that is, that entrepreneurship cannot be considered separately from its context, but rather is embedded within it (Smith, 2006). Ultimately, the environment in which a business owner operates cannot be ignored because it influences and shapes motivations and the type and amount of resources that are available (Mankelow and Merrilees, 2001; Meccheri and Pelloni, 2006). Given the importance of the local context, this provides a starting point for business advisers and trainers to ask questions about

---

Figure 2. Components of small business training and education in the rural context.
the specifics of the rural context, the owners and their enterprises.

Component 1: Primacy of non-financial goals
A basic assumption of many business education courses and programmes is that success is defined in terms of high profits and growth levels (Jennings and Beaver, 1997; Peredo and Chrisman, 2006; Steier and Ward, 2006). This starting point then becomes the guiding criterion by which business opportunities and plans are evaluated to ensure that new ventures ideally demonstrate this desired level of growth and profit.

Unfortunately, given many of the challenges existing in these regions, many rural small businesses cannot meet these standards; and nor do many of these owners place priority on such financial objectives relative to other ones. Some research suggests that rural business owners are less oriented towards growth and more oriented towards other considerations as compared with urban-based enterprises (Galloway and Mochrie, 2006; Blackburn and Curran, 1993; McElwee and Bosworth, 2010). This is not to say that there are not some who are very financially motivated, because some clearly are (Raley and Moxey, 2000; Galloway and Mochrie, 2006).

For some, it may be more important to provide a quality product or service and/or keep a business small and close to employees and customers (Robinson and Watson, 2001; Townroe and Mallalieu, 1993). Alternatively, research on business women in rural Australia found that success might be the creation of ‘a viable and sustainable business in the location they choose to live in’ and an opportunity to grow personally (McKenzie, 1998, p 260). Finally, many rural owners view a business as a way to remain in their community or on the family farm (Getz and Carlsen, 2000; Siemens, 2008; Tregear, 2005; McElwee and Bosworth, 2010).

This perspective suggests that a guiding principle for business opportunity evaluation within a rural context should be the ability of that enterprise to meet the owner’s objectives and his or her particular definition of success. For example, if the key criterion for business potential evaluation is redefined to include non-monetary objectives such as lifestyle and family goals, a financially marginal business (or one that at least breaks even) might in fact be successful because it allows an owner to remain in the community and create employment for him- or herself and perhaps even his or her family (McKenzie, 1998; Schroeder, 2003). These important objectives might also be extended to the consideration of a community’s goals for economic development (Peredo and Chrisman, 2006) or core cultural values. For example, Muller (2000) outlines the efforts of the University of New Mexico to design a business programme which incorporates the cooperative values of the American Indian culture, rather than the dominant culture’s individualistic values.

From this perspective, a seasonal tourism business in a rural location may be viable and desirable, despite its limited revenue and profit potential. While a seasonal business may not generate high profits and, by definition, does not operate year round, the owners may deem it successful because the off-season allows them to pursue other interests or enjoy a rest, and remain in the community (Getz and Nilsson, 2004; Siemens, 2007). Consideration of lifestyle and family goals and their importance can begin to explain why these often ‘marginal’ businesses continue to operate, despite the lower profit and growth potential (Carter and Ram, 2003; Getz et al, 2004; Wheelock and Baines, 1998).

Component 2: ‘Pluriactivity’ of income
Along with success being defined in terms other than purely financial, the implicit understanding of the necessity of a business to support an individual and potentially his or her family fully must also be re-examined within the rural context. Given traditional business education’s focus on high profit and growth levels, the assumption is that a business will grow to the point at which an owner is fully financially supported from the operation. If an owner must work at a second job, it is often seen as a temporary measure until the business grows to a size that renders this no longer necessary.

However, as outlined above, in rural areas, the local population tends to be small, which in turn limits the potential market and resulting growth, revenue and profit levels. As a result, a single business may not be sufficient to support the owner and his or her family, thus necessitating additional income sources (Carter et al, 2004; Wheelock and Baines, 1998). As a result, a potential owner must approach a business opportunity with the clear understanding that other income sources may be necessary for the overall financial stability of both the business itself and the owner’s family.

Having said this, opportunities do exist to meet this objective. A profitable niche may be created by drawing upon local traditions, heritage, food, culture, natural resources and geography (Dinis, 2006; OECD, 1995). In other cases, owners may explore multiple businesses or product and service diversification by creating additional demand for products and services within the local customer base or within a new one (Carter and Ram, 2003; Ronning and Kolvereid, 2006). For example, research in Finland and the Western Isles of Scotland suggests two possible methods to achieve this. First, a retail business might expand its current product range within its geographical location by adding services such
as a taxi service, coffee shop and postal service. Alternatively, the owner might diversify by extending its geographical reach through mail-order or Internet sales (Byrom et al., 2003; Jussila et al., 1992). A diversification strategy also provides a mechanism for business owners to be proactive, rather than reactive, in meeting the challenges that face them, thus creating survival and success (Kodithuwakku and Rosa, 2002; McElwee and Bosworth, 2010). As a result, business education and training needs to focus on developing entrepreneurial skills, including opportunity identification and strategic thinking, to ensure that the business owner can develop these new activities (McElwee and Bosworth, 2010).

This component also reinforces the importance of the family to the rural venture. Family members may provide some of these alternative income sources, thus contributing to a household approach to financial stability (Alsos and Carter, 2006; Carter et al., 2004; Wheelock, 1992). As a result, it is clear that despite their sometimes marginal financial nature, these businesses provide something beyond financial rewards, including psychological benefits such as family security, self-confidence, lifestyle and fringe benefits (Wheelock and Baines, 1998).

This component reframes the important evaluation of a business idea’s potential and enlarges the range of viable businesses. An owner does not have to expect that a single business will meet a desired financial threshold; instead, this threshold can be attained through several income sources.

Component 3: Available resources

As discussed, rural businesses face challenges in accessing locally the often necessary resources, such as financing and other banking services (Bryant, 1989; Halseth and Ryser, 2006; Oborn, 2000), qualified staff (Lowe and Talbot, 2000) and access to information technology (Beer, 2004; Labrianidis et al., 2004). In addition, given their small size and location, these businesses are not able to access or create many of the strategic resources advocated for competitive advantage (Barney, 1991). Further, the options for drawing upon outside resources may also be limited by distance, time, money, and infrastructure gaps. The owners themselves may not even look beyond their community for assistance, given their independent and self-sufficient nature (Anderson et al., 2010).

These important and critical resources are available in the constrained rural environment upon which the small business owner can draw to meet his or her objectives, as he or she defines them. These resources include their individual skills and abilities, family, business and community (Siemens, 2008). Each will be described in turn.

Resource 1: The individual owner. The first resource lies with the business owner him- or herself. As the catalyst and prime mover for start-up and ongoing business operations, the owner draws upon his or her own skills and combines them with other resources to achieve individual and business success (Alsos et al., 2003). These skills become the building blocks for the new venture, especially in those situations where other types of resources may be limited (Manev et al., 2005; Piazza-Georgi, 2002). This human capital flows from a variety of sources, ranging from family background, education, work experience, specific training related to the new venture, and general human capital as well as important attitudes such as creativity, passion and self-reliance (Cope, 2005; Labrianidis, 2006b; Piazza-Georgi, 2002). These skills contribute not only to business start-up, but also to the often required additional income sources.

This resource also has a larger focus and is closely linked to the importance of the first component, which in turn influences the manner in which an owner responds to challenges and coordinates available resources. Given that an owner desires to remain in a rural region, a business of his or her own may be the only means by which to achieve this goal in the constrained rural environment. As a result, the challenges just become an operational cost (Siemens, 2007).

Resource 2: The family. As discussed, the family becomes a second important resource upon which the business owner can easily draw, particularly within resource-constrained environments such as these (Dyer and Mortensen, 2005; Morrison, 2006; Oughton and Wheelock, 2003). The family may contribute physical infrastructure, financial and human resources, marketing support and other types of assets directly to the business, but also to the often required alternative income sources through paid employment elsewhere or in their own business (Carter et al., 2004; Wheelock, 1992). In many cases, the family property is fundamental to operations because it allows businesses to start with minimal investment (Alsos and Carter, 2006). The family may also provide financial resources through family savings, gifts and/or inheritances to fund start-up and ongoing operations (Oughton et al., 2003; Yilmazer and Schrank, 2006). This financial support may be critical, especially where access to outside financing may be lacking (Dyer and Mortensen, 2005; Meccheri and Pelloni, 2006). The business may also draw upon family members for paid and unpaid labour, both in terms of front-line operations and back-room support, such as bookkeeping, household management and mentoring (Alsos and Carter, 2006; Anderson et al., 2005a; Oughton et al., 2003).

Furthermore, the family can support marketing efforts
and may provide a unique resource not available to non-family businesses (Habbershon and Williams, 1999; Craig et al., 2008). Family businesses can provide a personal touch generally not found with larger businesses. In addition, customers may have a preference for family businesses over non-family ones, a preference that can be reinforced through marketing materials in which the family is pictured prominently (Kim, 2005; Krotz, nd; Tregear, 2005). Evidence suggests that family businesses may be seen as more trustworthy than non-family enterprises and are more committed to delivering quality products that carry the family’s name, along with good customer service (Cooper et al., 2005; Tokarczyk et al., 2007).

Resource 3: The business. The third resource is the business itself, which links back to pluriactivity, the second component of this training framework. Within the rural context, the diversification and/or niche potential of the original idea can serve as a resource by providing further economic opportunity, particularly in those cases where a core business’s profitability is limited. As discussed, the owner must consider other possibilities, some of which can build on a company’s existing products and services (Ronning and Kolvereid, 2006). For other owners, they may be able to capitalize on a profitable niche, including cultural and traditional products and services such as food, handicrafts and the like (Illouz-Winicki and Paillard, 1998). Evaluating both the product and service diversification and niche potential in advance can ensure that the owner can achieve some measure of financial stability during business start-up and ongoing operations. This may be particularly relevant for farmers who can diversify operations into agriculture-related products or tourism (Ronning and Kolvereid, 2006).

Resource 4: The community. Playing several roles, the local community represents the final resource available to the small business owner, which, unlike the other three, is beyond his or her direct influence and reinforces the need for cooperation between the owner and the community as they work together to create economic development (Jack and Anderson, 2002). First, the community is an obvious source of potential employees, customers and suppliers (Honig, 1998; Kirby, 1987; Wheelock, 1992). Also, the business owner may rely on local support and advice when other sources, such as banks, lawyers, accountants and government, are not present (Frazier and Niehm, 2004; Peredo and Chrisman, 2006). Some communities may be able to provide a marketing advantage in terms of potential niche markets and proximity to larger urban centres (Anderson et al., 2005b; Reimer, 2006). They may also provide critical infrastructure in the form of telecommunications, transportation and social services. It is important to note that there is a reciprocal relationship between this resource and the others (Dinis, 2006; Kilkenny et al., 1999). In exchange for this, the business owner provides products, services and employment as well as leadership in economic development efforts in a community. The benefits of this participation then flow back to the owner in the form of increased community capacity (Kilkenny et al., 1999).

Unlike some forms of support, such as banks, support organizations, legal services and others, these four are available locally and can be relatively easily acquired and deployed by the owner. They also tie into the objectives of many rural business owners to achieve success for themselves, their family, business and community.

Component 4: Delivery grounded in the local context

This framework’s final component emphasizes the necessity to have the delivery and content grounded in the local context in several ways. First, the training itself should be delivered in the particular rural community, instead of requiring owners to travel to (often distant) urban centres. Second, the content needs to draw upon successful rural business owners through case studies, role models and other community interactions in order to encourage others.

Many stakeholders, ranging from universities, colleges and schools, governments, consultants, experts and business and industry associations, could be involved in delivering business education and training (Henry et al., 2005b). These sessions could vary in length from a few short hours to several days and beyond with several week-long courses, all with the intention of preparing people with management skills and an entrepreneurial mindset (Bhradaigh, 2008; Gibb, 1993; Henry et al., 2005a; Lans et al., 2008). The training can also use lectures and experiential exercises supplemented with follow-up sessions and ongoing mentoring to a group of like-minded owners (Redmond and Walker, 2008; Lans et al., 2008).

Regardless of the exact delivery method, the education and training should be delivered within the rural communities themselves and grounded in the particular communities’ experience (Redmond and Walker, 2008). At present, most business training takes place in urban areas, which can make it difficult for owners to arrange time from their business to attend training, particularly if they are sole proprietors. In addition, travel can be expensive in terms of time, money and effort (Page and Getz, 1997; Polese and Shearmur, 2002; Beer, 2004). While a possibility, Internet-based training is not always an option, given that rural business people tend to lag
This paper proposes a training framework that is grounded in the realities of the rural context so that trainers and business owners alike can prepare for the challenges and opportunities that exist, rather than drawing on lessons from the relatively resource-rich urban context (Harris et al., 2005; Shields, 2005). It also provides a focus on a type of business that is run by those who generally do not strive for high profits and growth, which is often ignored within traditional business education and training (Brush and Chaganti, 1999; Edwards and Ram, 2006). Further, despite the perceptions of many economists and development experts that the rural environment is inherently hostile to small businesses (Buss and Lin, 1990), this model points to the many opportunities and resources that are available for small business owners to harness to meet their specific business and family goals.

Ultimately, a training model that supports rural business owners within their particular context supports the efforts to develop small business and entrepreneurship as part of community development activities. While many economic opportunities are present, potential small business owners must also overcome challenges that are specific to the rural context, including location as defined by distance, community characteristics, infrastructure gaps and time demands. However, as discussed, small business education and training must be embedded in these realities to ensure that individuals are ready for the challenges. By participating in business education and training grounded in this framework, a rural business owner can establish and support a business with an understanding of the interplay between non-financial goals and objectives, the need for multiple incomes and the availability of resources in this context. It reinforces the understanding that entrepreneurship is highly connected with its environment (Smith, 2006).

From this understanding of embedded entrepreneurship and small business, government, support organizations and trainers can begin to use this framework when developing course material to ensure that it meets the specifics of a particular rural community and business group (Westall et al., 2000). For example, in order to understand the level and amount of infrastructure available within a community and the nature of gaps that a business owner might need to fill, a trainer could draw upon the Northern Ireland Statistics & Research Agency’s (2005) classification of business and social services, including the availability of grocery stores, post offices, financial services, legal and commercial services and others. The trainer might also draw upon the Scottish Executive’s (2004) classification of rural and urban communities to determine how rural and remote a particular community might be from the perspective of both distance and travel time to the nearest larger urban centre. Finally, the trainer might
also survey the business owners themselves on characteristics such as business and family objectives, their business skills and experiences, background characteristics, business statistics and others. From this knowledge, the trainer can categorize the businesses into entrepreneurial versus lifestyle enterprises: those with the potential for a larger market and subsequent growth and profits beyond the community, versus those with more limitations; and those owners with plenty of experience and skills versus those needing more development, and the trainer can then create specific modules (Carland et al, 1984; Ho and Kontur, 2001; Townroe and Mallalieu, 1993).

More work is needed to develop more fully and deliver this model to rural business people. In particular, the specific training modules with a focus on business skills, business idea assessment, goal and objective evaluation, along with a review of available resources, must be created. Appropriate case studies must be researched and written, with a focus on idea generation, product and service diversification, niche market development and methods to overcome challenges. Finally, the course delivery channels must also be explored in order to maximize reach to target groups. This is the next stage of work on this framework.

As governments, support organizations, communities and individuals turn to entrepreneurship and small business development as a means for economic development in relatively disadvantaged areas, efforts must be taken to support these individuals in their efforts to start and develop small businesses which meet their own and the community’s objectives. Business training and skills development are necessary to ensure businesses survive and to minimize failure. Given the key differences in the rural context, a business education framework for this group must meet the unique needs of rural entrepreneurs to ensure relevance and applicability and to achieve individual and economic development goals.

References


Embedding entrepreneurship training within the rural context


Embedding entrepreneurship training within the rural context


Scottish Executive (2004), Scottish Executive Urban Rural Classification, Environment and Rural Affairs Department, Scottish Executive, Edinburgh.


Siemens, L. (2005), ‘Chez Monique: the practical application of research’, in Vaugeois, N., ed, Informed Leisure Practice: Cases as a Conduit between Theory and Practice, Recreation and Tourism Research Institute, Malaspinia University College, Nanaimo, BC.


Siemens, L. (2008), Rural Businesses on Vancouver Island: Challenges and Opportunities, University of Hertfordshire, Hatfield.


Embedding entrepreneurship training within the rural context
