

Small Business is Our Business...

Small Business Advancement National Center

University of Central Arkansas

<http://www.sbaer.uca.edu>

SBANC NEWSLETTER - APRIL 27, 1999

UPCOMING EVENTS!!!

CALL FOR PAPERS:

EURO PME TO HOST CONFERENCE SEPT. 30 - OCT. 2, 1999

The second EURO PME International Conference is set to be held Sept. 30 through Oct. 2, 1999, in Rennes and Saint Malo, France. The conference theme is "Entrepreneurship: Building for the Future."

The Centre of Studies and Research EURO PME was set up as part of Rennes International School of Business' strong interest in SMEs. The upcoming conference will include participants from academic and business communities, who will meet to discuss the latest research and recent educational experience in the field of entrepreneurship. Special attention will be given to the gender dimension within entrepreneurship.

To submit a paper for possible presentation, send a one-page abstract, together with a short presentation of the author(s) and how they can be contacted. Special attention will be given to papers integrating the gender dimension (male/female). The deadline for abstracts is APRIL 30, 1999. An academic committee will examine the proposals. Authors invited to submit full papers should do so by JULY 15, 1999.

For more information about the EURO PME International

Conference and the Call For Papers, visit our Web site at
<http://www.sbaer.uca.edu/docs/bulletins/99eurocp.htm>

INTERNATIONAL BUSINESS AND ECONOMICS CONFERENCE

SET FOR OCT. 8-9, 1999 IN WISCONSIN

The second annual International Business and Economics Conference will be held at St. Norbert College in De Pere, Wis., Oct. 8-9, 1999. The college is organizing this conference in association with MCB University Press and the Management Decision Journal.

The interdependencies of the global economy affect all aspects of our daily lives. This conference will provide a forum to discuss business and economic issues in the context of this global village. Discussion topics will include international trade and finance, multinational financial management, emerging markets, global marketing strategies, cross-cultural marketing and consumer research issues, service marketing across national borders, multiculturalism in the workplace, business ethics in the international context, and the Internet and international business.

To find out more about this conference, visit our Web site at
<http://www.sbaer.uca.edu/Docs/bulletins/ibecfp10899.htm>

SMALL FIRM USE OF LEVERAGE:

A COMPARISON OF MEN AND WOMEN-OWNED FIRMS

The University of Hartford's Susan Coleman and Richard Cohn presented this paper at the United States Association for Small Business and Entrepreneurship Conference in San Diego in

January.

"Owing to their inability to access the public debt and equity markets, small businesses tend to be heavily reliant on commercial banks as a source of debt financing (Cole & Wolken, 1995, 1996, Petersen & Rajan, 1994; Scherr et al., 1993). Some prior research has suggested, however, that women-owned businesses experience greater difficulties in borrowing than businesses owned by men (Brush, 1992; Buttner & Rosen, 1988; Collerett & Aubry, 1990; Riding & Swift, 1990). This study compares use of financial leverage by men and women-owned small businesses to determine if women are less likely to use debt as a source of financing."

The results of Coleman and Cohn's study confirm theories of capital structure put forth in prior research. For example, Myers (1984) suggested that less-profitable firms find it necessary to use external debt, either because they do not have sufficient earnings to fund their growth or because they have exhausted retained earnings. He went on to note that firms finance with external debt first before turning to external equity, which is the most costly form of financing.

In this study, use of leverage was associated with smaller, less-profitable firms. Firms of this type may not be as attractive to potential equity investors as suggested by Myers (1984), Carter & Van Auken (1990) and Van Auken et al. (1995). Similarly, leverage was associated with younger firms. Firms in this category may be growing and incapable of generating sufficient internal equity to fund growth (Myers, 1984; Timmons, 1994).

Findings of the study also reveal that women were not less likely to

use debt than men, refuting the results of some prior work as well as anecdotal evidence. Gender was not a significant predictor of leverage in regression models nor were women significantly more or less likely to use debt in t-test comparisons. This suggests that women do have equal access to sources of debt and that they use them. They are not, as has been suggested, more risk averse than men, nor are they victims of discrimination since they appear to have the same access to external loans.

To read this paper and view the research results, visit our site at <http://www.sbaer.uca.edu/Research/1999/USASBE/99usa121.htm>

TIP OF THE WEEK

"Audience Analysis"

(Taken from "Lesikar's Basic Business Communication" by Raymond V. Lesikar, John D. Pettit, Jr., and Marie E. Flatley. See full credit below.)

One requirement of good speech making is to know your audience. You should study your audience both before and during the presentation.

* Preliminary Analysis. Analyzing your audience before the presentation requires that you size it up -- that you search for audience characteristics that could affect how you should present your speech.

For example, the size of your audience is likely to influence how formal or informal your speech should be. As a rule, large audiences require more formality. Personal characteristics of your audience, such as age, sex, education, experience, and knowledge of subject

matter, should also influence how you make your speech. They should affect the words, illustrations, and level of detail you use. Like writing, speeches should be adapted to the audience with every consideration given to good business etiquette. And the more you know about the audience, the better you will adapt your presentation to them.

* Analysis During Presentation. Your audience analysis should continue as you make the speech. Feedback is information about how your listeners are receiving your words. Armed with this information, you can adjust your presentation to improve the communication result.

Your eyes and ears will give you feedback information. For example, facial expressions will tell you how your listeners are reacting to your message. Smiles, blank stares, and movements will give you an indication of whether they understand, agree with, or accept it. You can detect from sounds coming (or not coming) from them whether they are listening. If questions are in order, you can learn directly how your message is coming across. In general, you can learn much from your audience by being alert; and what you learn can help you make a better speech.

"Lesikar's Basic Business Communication," Lesikar, Raymond V., Pettit, John D. Jr., and Flatley, Marie E., Irwin/McGraw-Hill, 1999, page 457.

If you have any comments about our newsletter or if you know of an upcoming small business event in your area, please contact Carrie East by e-mail at Ceast@mail.uca.edu.

SBANC STAFF

Dr. Don B. Bradley III

Executive Director and Professor of Marketing

Phone: (501) 450-5345 E-mail: Donb@mail.uca.edu

Jeannette Thomas

Project Coordinator

Phone: (501) 450-5320 E-mail: Jthomas@mail.uca.edu

Carrie East

Assistant Project Coordinator -- Marketing

Phone: (501) 450-5373 E-mail: Ceast@mail.uca.edu

Lesley Andrews

Assistant Project Coordinator -- Internet

Phone: (501) 450-5377 E-mail: Lesleya@mail.uca.edu

Marta Bacelar

Graduate Assistant

Phone: (501) 450-5300 E-mail: mb2623@cub.uca.edu

Rhondi Redmond

Student Intern

Phone: (501) 450-5300 E-mail: rar1014@cub.uca.edu

Jay Garrison

Student Intern

Phone: (501) 450-5300 E-mail: jkg9940@cub.uca.edu

Stephanie Wheatley

Student Intern

Phone: (501) 450-5300 E-mail: sjw2587@cub.uca.edu

Jeremy Rook

Student Intern

Phone: (501) 450-5300 E-mail: jlr2903@cub.uca.edu

Tara Brownfield

Student Intern

Phone: (501) 450-5300 E-mail: tdb7475@cub.uca.edu

Trey Kordsmeier

Student Intern

Phone: (501) 450-5300 E-mail: iak9199@cub.uca.edu

Jason Rankin

Student Intern

Phone: (501) 450-5300 E-mail: jar6121@cub.uca.edu

If you do not wish to receive our newsletter, please e-mail us at
webmaster@www.sbaer.uca.edu and we will remove your name
from the list. We apologize for any inconvenience.