

## April 6, 2004 Issue 318-2004

\*\*\*\*\*

### **In This Issue:**

1. Feature Paper – Governance Mechanisms for Customer Interactions in Smaller Professional Service Firms
2. Tip of the Week – Indirect Techniques for Gathering Market Information: The Entrepreneur as Sherlock Holmes
3. Call for Papers – 16<sup>th</sup> Association for Global Business International Conference
4. Call for Papers – 2004 DSI Annual Meeting
5. Call for Papers – UIC Research Symposium on Marketing and Entrepreneurship
6. Call for Papers – SMA 2004 Annual meeting
7. Conference – IntEnt Education and Training Conference
8. Conference – College Teaching Method Styles Conference
9. Conference – High Technology Small Firms Conference 2004
10. Conference – 3<sup>rd</sup> International Conference on Healthcare Systems
11. Announcement – Grants to Support Technological Innovation and Entrepreneurship in Higher Education

\*\*\*\*\*

### **Feature Paper**

#### **“Governance Mechanisms for Customer Interactions in Smaller Professional Service Firms”**

This paper was presented by John C. Goodale, from the University of Oregon, and Donald F. Kuratko and Jeffrey S. Hornsby, from Ball State University, at the 18th Annual USASBE National Conference on January 15-18, 2004 in Dallas, Texas.

Consumers rely on professional service providers (PSPs) to assist them with their most personal and critical needs. Given the focus of the professional’s skills, one might wonder how to develop and manage customer service acumen in this occupational group. While managers of PSPs hope that their employees act in a manner that is consistent with the objectives of the firm, they realize that professionals are not like regular service workers. Managers realize that PSPs often have a principal-agent relationship with their customer, but are under regulatory constraints from legal entities, and are also under pressures from their internal value system and professional community to uphold expectations and traditions in order to perpetuate the profession. Thus, given that professionals operate in the modern economy where superior customer service can “win” market share and maximize the long-term wealth of the their employing firm, what is it that governs professionals in their day-to-day interactions with customers? PSPs are part of a rapidly growing segment of service firms, yet relatively little research has examined the influences on day-to-day interactions between professionals and customers.

A review of the literature finds a number of characterizations of professionals and services that, in sum, help describe its meaning. Abbott (1988) points to the knowledge system and abstraction as the tenets of this occupational group. Clearly, the knowledge system provides the valuable expertise based on which the group can exclude others who do not have it. Also important is the abstraction of the knowledge

such that the professional can redefine problems and tasks such that the knowledge applies to particular cases. Shapero (1985) suggests that professionals exist due to their education level and professional societies that restrict membership to the profession by special requirements. In addition, Larson (1990) points to the connection of credentials to education level as an important structural link that helps establish professions and professionals.

Based on a survey of 257 accountants, lawyers, insurance advisors and financial planners, a set of governance mechanisms were identified that influence behavior in smaller professional service firms. The results suggest four factors—Company Procedures, Professional Influence, Educational Development and Goals—which serve as a control structure for employee behavior when interacting with customers. Regarding the Company Procedures significant differences were observed between the factor level means for company sales, gross income, industry, education level, and company ownership. Also, when examining Educational Development, significant differences were observed between the factor level means for gross income, industry, and education.

To read the entire paper on “Governance Mechanisms for Customer Interactions in Smaller Professional Service Firms,” visit the SBANC Web Site at

<http://www.sbaer.uca.edu/Research/2004/USASBE/papers/09.pdf>

\*\*\*\*\*

## Tip of the Week

### “Indirect Techniques for Gathering Market Information: The Entrepreneur as Sherlock Holmes”

In one famous story involving Sherlock Holmes, Sir Arthur Conan Doyle’s famous detective, Holmes amazes Dr. Watson by stating—correctly, it turns out—that one physician’s practice is in decline while that of another physician, whose office is next door, is on the rise. When Watson asks Holmes how he knew this, Holmes points to the steps leading into the two offices: One shows much more recent wear than the other. “Elementary, my dear Watson,” Holmes remarks.

In this case, Holmes has used an *indirect method* for measuring the preferences of patients—who can be viewed as the physician’s customers. Similarly, if they are perceptive, entrepreneurs, too, can profit from indirect methods for gathering such information. In other words, they can use what is often known as *secondary data*—data they do not collect themselves, but which can still be very useful. For instance, they can examine the sales of competing products to see if any trends emerge—some rising in popularity, others declining. This may suggest that certain features or combinations of features are gaining or losing appeal to potential customers. Similarly, they can examine demographic data (e.g., the *Statistical Abstract of the United States* or the *Sourcebook of Zip Code Demographics*) to see how populations are changing: growing or declining in a given area, changing in terms of age makeup, ethnic background, and so on.

Such sources of data can help entrepreneurs identify the best markets for their products before they launch a new venture. In some cases, they can even suggest the basis for a successful company. For instance, consider Brian Scudamore, CEO of 1-800-Got Junk? This Canadian company, which is now located in more than two dozen U.S. cities, helps people get rid of...their junk! Because most of us are incredibly weak when it comes to deciding to get rid of things we have had for years but no longer use, you might wonder how Scudamore came up with this idea. Mainly on the basis of indirect marketing information. He noticed, for instance, that storage facilities were experiencing a sharp drop in business.

This suggested to him that more people were getting rid of unneeded possessions at a higher rate than in the past. Why? Perhaps tough economic conditions play a key role: An increasing number of persons were concluding that they could no longer afford to pay to store items they did not use or want. By carefully observing these trends (forms of indirect market information), Scudamore was able to come up with the idea for his new company, and to cash in handsomely on the new “Get rid of it!” ethic that seems to be emerging.

Before concluding, we should emphasize one additional point: Marketing information—even if excellent in every respect—is no guarantee of success. To the extent a product or service is truly new, it may be difficult for consumers to compare it with existing products. We will consider this point in more detail in Chapter 9, but here are a few examples of what we mean. History is filled with products that were designed for one use and one market but, in fact, found success in a different one. For instance, consider personal computers. When IBM launched this new product in 1981, the company was absolutely convinced that it would be used only in business contexts: After all, who would want this business tool for home use? Within a few short years, however, it became clear that consumers were much more inventive at developing uses for a personal computer than IBM’s engineers—or their marketing division!—ever dreamed.

Here’s another one: Silly Putty was developed, quite by accident during World War II, when chemists were searching for a silicone-based rubber substitute. It was unsuitable for that use, but soon—and unexpectedly—became a popular children’s toy. Recently, however, it has found another market: as an aid to stress-reduction among harried adults. Busy executives seem to find bouncing and stretching this elastic substance quite relaxing. But small amounts (the package for children contain 0.5 ounces) are not enough to satisfy these adult appetites, so they buy it by the pound. In fact, groups of Silly Putty fans join together to order the manufacturer’s minimum amount of pounds. This gives each person 10 pounds or more of the bouncing wonder. Certainly, this is a dramatic example of a product that has found a new market niche—one its marketers probably never dreamed would emerge. So yes, market information is often very helpful to entrepreneurs, but it is just one of several kinds of information they need in order to achieve the success they hope to achieve.

#### Key Points:

- Before launching a new venture, entrepreneurs need reliable marketing information—information on how potential customers will react to and evaluate the products or services they provide.
- Because people are not very successful at identifying the factors that influence their behavior, simply asking them why they like or dislike various products is not an effective approach.
- Perceptual mapping, one technique for identifying the dimensions along which customers evaluate various products, is often a useful initial step.
- One useful procedure for gathering such information is focus groups—groups of about 8 to 12 people who are similar to potential customers and who meet for one to two hours to describe their perceptions of and reactions to relevant products.
- In addition to gathering their own marketing information, entrepreneurs can also often use indirect or secondary data, information gathered by others.
- Although marketing data are often useful to entrepreneurs, they are no guarantee of success,

especially with respect to new products or services because consumers may find comparing these to existing products a difficult task, and because unexpected uses for such products may quickly emerge.

"Entrepreneurship: A Process Perspective" Robert A. Baron & Scott A. Shane, South-Western, 2003, page 88-89.

\*\*\*\*\*

## Call for Papers

### "16<sup>th</sup> Association for Global Business International Conference"

The 16th Annual Meeting of the Association for Global Business will be held in Cancun, Mexico, USA on November 18-21, 2004. All topics in business disciplines (accounting, finance, international business, management and marketing), economics, management information systems and computer science, political science, public administration, and global strategies are appropriate.

Submission Deadline: June 1, 2004

For more information on this conference, visit <http://falcon.jmu.edu/~damanpfx>

\*\*\*\*\*

## Call for Papers

### "2004 DSI Annual Meeting"

The Decision Sciences Institute's 2004 Annual Meeting will be held in Boston, Massachusetts, USA on November 20-30, 2004. The theme focuses on facilitating quality decision making. The Annual Meeting especially welcomes original research papers exploring the quality of decision tools; the quality of information and information systems that support decision making; and the quality of technologies used to support, analyze, and communicate decisions.

Submission Deadline: April 8, 2004

For more information on this conference, visit <http://www.bus.ucf.edu/dsi2004/>

\*\*\*\*\*

## Call for Papers

### "UIC Research Symposium on Marketing and Entrepreneurship"

The University of Illinois at Chicago Research Symposium on Marketing and Entrepreneurship will be

held June 30 – July 2, 2004 on the Georgia Tech Lorraine Campus at Metz Technopole in Metz, France.

Submission Deadline: April 15, 2004

For more information on this conference, visit [http://www.uic.edu/cba/ies/upcoming\\_symposia.html](http://www.uic.edu/cba/ies/upcoming_symposia.html)

\*\*\*\*\*

## Call for Papers

### "SMA 2004 Annual Meeting"

The Annual Southern Management Association Meeting will be held on November 3-6, 2004 in San Antonio, Texas, USA. Due to an encountered file corruption problem, the conference program chair has requested that everyone who has already submitted a paper to contact: Anson Seers 804-828-1624 or aseers@vcu.edu

Submission Deadline: April 14, 2004

For more information on this conference, visit <http://www.southernmanagement.org/>

\*\*\*\*\*

## Conference

### "IntEnt Education and Training Conference"

The 14<sup>th</sup> Global Internationalizing Entrepreneurship (IntEnt) Education and Training Conference will be held on July 5-7, 2004 in Napoli (Naples), Italy. IntEnt is an annual conference for university instructors and practitioners to exchange their ideas on research results and experiences in the field of entrepreneurship education and training.

For more information on this conference, visit <http://www.intent04.unina.it/>

\*\*\*\*\*

## Conference

### "College Teaching Method Styles Conference"

The 2004 International College Teaching Methods & Styles (CTMS) Conference will be held from Sept. 27-30, 2004 at the Peppermill Hotel Casino in Reno, Nevada. Come to present papers on teaching issues such as: curriculum, web-based education, ethics in higher education, promotion and tenure, accreditation, teaching methods and styles, technology in the classroom, administration, faculty welfare, teacher evaluation, department specific issues, and related topics. If you choose not to present a paper,

you may prefer to attend only.

For more information on this conference, please visit <http://www.ctmsconference.com/>

\*\*\*\*\*

## Conference

### “High Technology Small Firms Conference 2004”

The 12<sup>th</sup> Annual High Technology Small Firms Conference of 2004 will be held on May 24-25, 2004 on the campus of the University of Twente in Enschede, The Netherlands. This international conference provides a unique opportunity for academics, opinion formers, policy makers and practitioners to discuss the latest developments in the field of HTSF. This year’s conference is especially focused on global (startup) firms (e.g. in nanotech and biotech), and opportunity recognition as a process element in the birth of new business. Of course there will also be presentations on other topics related to HTSF, such as: heterogeneous networks, development and growth, people management, funding, incubation systems or governmental policies.

For more information on this conference, visit <http://www.utwente.nl/nikos/htsf/>

\*\*\*\*\*

## Conference

### “3<sup>rd</sup> International Conference on Healthcare Systems”

The Third International Conference on Healthcare Systems will be held in Charleston, West Virginia, USA on October 14-17, 2004. The objective of this conference is to bring practitioners, academics, and students to discuss and present papers/posters/panels relating to health care systems around the world. For more information on this conference, visit <http://www.marshall.edu/healthcare-conference/>

\*\*\*\*\*

## Announcement

### “Grants to Support Technological Innovation and Entrepreneurship in Higher Education”

The National Collegiate Inventors and Innovators Alliance (NCIIA), a non-profit educational initiative, is seeking proposals for the development and support of innovation, invention, and technological entrepreneurship at U.S. colleges and universities. The NCIIA is interested in proposals for courses and projects which incorporate opportunities for open-ended, commercially focused, team-based work in E-teams. E-teams are groups of students, faculty, and professionals who join together to pursue the development of an idea, product, or invention, or to solve a problem in a way that has the promise of developing a product or enterprise that will generate jobs and social benefits. The “E” stands for “excellence” and “entrepreneurship.”

Two types of grants are offered:

COURSE AND PROGRAM DEVELOPMENT GRANTS: Grants ranging from \$2,000 to \$50,000 will be awarded to projects that support the development, implementation, and institutionalization of new courses and programs in which student teams will develop innovative, entrepreneurial solutions to real-world problems.

ADVANCE E-TEAM GRANTS: Grants ranging from \$1,000 to \$20,000 will be awarded to advanced E-Teams for further development and steps leading to commercialization of their ideas.

Additional information is available at <http://www.nciia.org/grants.html>

\*\*\*\*\*

If you have any comments about the SBANC Newsletter, or if you know of an upcoming Small Business event to promote, please contact Lester W. Clements II at [lestclem@hotmail.com](mailto:lestclem@hotmail.com)

\*\*\*\*\*

The SBANC Newsletter is provided as a service to the members of our affiliates: **Academy of Collegiate Marketing Educators (ACME), Association for Small Business & Entrepreneurship (ASBE), Decision Sciences Institute (DSI), Federation of Business Disciplines (FBD), International Council for Small Business Congress (ICSB), Institute for Supply Management, The International Small Business Congress (ISBC), Marketing Management Association (MMA), Small Business Administration (SBA), Service Corps of Retired Executives, Small Business Institute (SBI), Society for Marketing Advances (SMA), United States Association for Small Business & Entrepreneurship (USASBE), U.S. Department of Veterans Affairs and Western Decision Sciences Institute (WDSI).** If you are interested in membership or would like further information on one of our affiliates, please see our web site at <http://www.sbaer.uca.edu>

\*\*\*\*\*

## **SBANC Staff**

Main Office Phone: (501) 450-5300

**Dr. Don B. Bradley III** - Executive Director of SBANC & Professor of Marketing

Direct Phone: (501) 450-5345 ---- E-mail: [donb@uca.edu](mailto:donb@uca.edu)

Lester W. Clements II - Webmaster - E-mail: [lestclem@hotmail.com](mailto:lestclem@hotmail.com)

Chris Escamilla - Student Intern - E-mail: [chrises@hotmial.com](mailto:chrises@hotmial.com)

Zichuan Li - International Student Intern - E-mail: [michael\\_lzc@hotmail.com](mailto:michael_lzc@hotmail.com)

Esther Mead - Student Intern - E-mail: [estherledelle@yahoo.com](mailto:estherledelle@yahoo.com)

Kai Roth - International Student Intern - E-mail: [KHR007@gmx.de](mailto:KHR007@gmx.de)

Ying Zheng - International Student Intern - E-mail: [zhengying\\_a@hotmail.com](mailto:zhengying_a@hotmail.com)

\*\*\*\*\*

To subscribe or unsubscribe to the SBANC Newsletter, please E-mail Lester W. Clements II at [lestclem@hotmail.com](mailto:lestclem@hotmail.com)