The Small Business Institute® and Small Business Development Center Network Collaboration: Student Experiential Learning Opportunities

Patrick R. Geho
Tennessee Small Business Development Lead Center
and Middle Tennessee State University

William C. McDowell
Middle Tennessee State University

Research suggests that student experiential learning participation can benefit students academically. This approach to student learning develops creative and sometimes unorthodox solutions to problem solving, enhances the student’s critical thinking skills, and refines communication skills as well as other high impact practices and skills. The Small Business Institute® (SBI) program provides students with opportunities to engage in internships and/or team projects by working with the business community. In that regard there are additional opportunities for collaboration between SBI and the Small Business Development Center (SBDC) program to work collaboratively across university divisions and colleges to create student-centered programming which utilizes experiential learning both in and out of the classroom to promote and sustain student academic success. This paper discusses additional ways the SBI and SBDC can work together to prepare students to be life-long learners and successful citizens.

The call for greater community engagement on the part of universities and university students continues to increase (Cook, Campbell, & Kopp, 2013). Concerns about the quality of the education that students are receiving coupled with studies that demonstrate the great benefit that students, universities, and the communities they serve receive through experiential learning activities have all created a strong acceptance of the partnership between students, faculty, universities and local businesses (Bruning, McGrew, & Cooper, 2006). For universities, this clear call for more developed engagement has now created an opportunity and a demand for student engagement programs to be developed and to become an integral part of the opportunities offered to students (Cook et al., 2013).

Student engagement in this way is increasingly being referred to as experiential learning. As Cook et al. (2013) explained, experiential learning has been the subject of a great deal of research in previous years. Bringle & Hatcher (1995, p. 112) indicate that for a learning opportunity to be experiential, it must be “A course based, credit-bearing, educational experience in which the students participate in an organized service activity that meets identified community needs and reflects on the service activity in such a way as to gain further understanding of course content, a broader appreciation of the discipline, and an enhanced sense of civic responsibility.” The Small Business Institute® has been a leader in a client-based model of student team consulting, and many years of experience and development have created a successful working model of how best to operate a SBI program (Cook et al., 2013).

While there is a successful model for student based consulting for experiential learning, the purpose of this article is to outline a potential collaboration that can facilitate the opportunity for faculty and students to interact with small businesses. The similar missions of the Small Business Institute® and the Small Business Development Center can open up doors of opportunity that will benefit both organizations while jointly benefitting both students and small businesses. The following information discusses the mission of each organization, other avenues for collaboration between each avenue, and a summary of how this collaboration is taking place at a state university.
THE SBI AND SBDC MISSION

The mission of the SBI is to be the premier provider of professional development for those engaged in experiential student team consulting and related entrepreneurship education, research and activities (www.smallbusinessinstitute.biz, n.d.). The mission of the SBDC is to deliver through a nationwide network of service centers educational assistance to strengthen small/medium size business management, thereby contributing to the growth of local, state and national economies (www.sba.gov, n.d.). In carrying out these respective missions both organizations can and should explore opportunities to engage in a corporative effort to connect students with businesses to enhance experiential learning for students while also bringing additional resources to bear to assist business clients.

BACKGROUND

Since the inception of the SBI program in 1972 entry-level training has been provided primarily assisting nascent firms in need of expert level consulting (www.smallbusinessinstitute.biz, n.d.). This training is accomplished through colleges and universities that operate through locally created classes and programs. Students are utilized in this community outreach process lead by a faculty supervisor. The result affords the business owner with an unbiased and objective analysis and recommendations which could enhance business operations and sustainability while at the same time providing students an experiential learning opportunity that challenges critical thinking skills and demonstrates each student participant’s cognitive abilities. Since the inception of the SBI over 163,000 businesses have been assisted involving over 408,000 students.

The SBDC program was established in 1975 as a partnership that includes the U.S. Congress, U.S. Small Business Administration (SBA), the private sector, higher education and state governments that manage SBDCs across the nation. In 2013, the Association of Small Business Development Centers (ASBDC) rebranded itself and the national SBDC network as “America’s SBDC.” According to the ASBDC, the SBDC program consists of nearly 1,000 services centers and over 5,000 employees providing management and technical assistance to an estimated one million small business owners and aspiring entrepreneurs each year. SBDC’s provide the nation’s small business community with high quality and innovative management and technical assistance programs. Program offerings are constantly evolving to meet the changing needs of a dynamic small business economy. Through directed learning and one-on-one counseling, the SBDC Network is able to also address the unique needs of individual businesses. Quality assurance and continuing professional development are the hallmark of the SBDC Network program. SBDC peer reviews were initiated in 1984 which became the forerunner of the modern day SBDC certification/accreditation program which is provided for by statute.

SMALL BUSINESS AND ENTREPRENEURSHIP STUDENTS

The primary mechanism for experiential learning through the Small Business Institute® has been through the vehicle of student team based consulting (Cook et al., 2013). While this experiential learning opportunity is of great value, there are additional experiential learning activities that fit well within the definition. One of these is the entrepreneurship student internship program. Student interns can work within an existing entrepreneurial firm and gain a great deal of information, knowledge, and skill related to starting a new venture. Thus, the internship as well as team consulting projects can both lead to a greater level of academic learning on behalf of the student.

University students who wish to engage in internships and faculty lead team consulting projects assisting small business must first have an understanding what it is to be entrepreneurial in order to better understand the business owner’s mindset. According to Carland, Hoy, Boulton, & Carland’s (1984: p.6) the definition of "entrepreneur" is an “individual who establishes and manages a business for the
principal purposes of profit and growth.” “Entrepreneurs are characterized principally by innovative behavior and employ strategic management practices in the business.” In that regard students must possess certain entrepreneurial attributes that would enhance their learning outcomes in engaging in a business internship or team project.

An analysis of college students' entrepreneurial characteristics and attitude toward entrepreneurship was conducted after participation in a SBI program. Student participants' attitudes toward becoming entrepreneurs were rated on four sub-scales: need to achieve, innovation, locus of control, and self-esteem. Students' personality traits such as achievement motive, risk taking, and locus of control were part of the study. Results show that participants with a high locus of control, as well as younger students, were most likely to develop more positive attitudes to entrepreneurship, (Hatten & Ruhland, 1995). The study cited Brockhaus (1982) stating that entrepreneurs possess a greater internal locus of control than the general population. Further, the authors cited Carlson (1985) which noted that once a person's attitude was measured, a prediction could be made about the person's performing or not performing an act. Attitude and personality have been very closely linked when applied to the same goal--the prediction of behavior.

The study results by Hatten and Ruhland (1995, p. 5) indicated:

1. Students who possess an internal locus of control will develop a more positive attitude toward entrepreneurship after they participate in an SBI program than students who do not possess an internal locus of control.”

2. Student age is a factor in changing attitude toward entrepreneurship. The SBI program has a more powerful influence on students in the 20-22-year age bracket in producing a positive change in their attitude toward entrepreneurship.”

It was also shown “that there can be an improvement in entrepreneurial attitude of senior- and graduate-level college students through participation in an SBI program. SBI directors should recognize that program participants with an internal locus of control are likely to develop a more positive attitude toward entrepreneurship. Measuring locus of control at the start of the program will allow directors to balance teams between students who look within themselves for solutions to problems and students who seek external sources for solutions.”

**BASIS FOR SBI AND SBDC COLLABORATION TO MAXIMIZE STUDENTS INVOLVEMENT WITH BUSINESSES**

With the adoption of a methodology to determine whether a student is a “good fit” for an internship position or as a participant in team business project, the faculty SBI representative can then collaborate with the SBDC service center director to identify prospective businesses willing to participate in the program. The SBDC is in a unique position in this regard as SBDC clients, during the counseling process, typically identify several issues for which they request counseling assistance. In addition SBDC’s nationwide utilize one of two SBA approved Structured Query Language databases. These client information systems databases are used to register a client and thereafter record follow-along discussions and recommendations in the counselor/client relationship. Client demographics and geographic information are also gathered during the client intake process. These databases also have fields to enter economic impact data outcomes such as capital formation, jobs retained, jobs created and sales increases. The client then electronically certifies the economic impact data entries are correct. This information is uploaded to SBA via their Entrepreneurial Development Management Information System (EDMIS).
SBDCs’ client information systems are a means of not only identifying possible clients who may wish to participate in student internships or faculty lead team activities, but also provide a means of targeting specific business sectors or the client’s subject matter request for business counseling. Utilizing the SBDC client database to contact prospective businesses as well as the research tools available to the SBDC will enhance students’ abilities to provide the assistance sought by the client, especially in relation to a coordinated effort and guidance of a faculty SBI representative.

According to Chrisman, Nelson, Hoy and Robinson (1985), the results of two empirical studies of statewide SBDC programs in Georgia and South Carolina showed, on average, small businesses experienced improved economic performance (based on percentage increases in sales, employment, and profits) over non-SBDC clients. In addition an SBI study conducted by Weinstein, Nicholls, Seaton (1992) explored entrepreneurs' perceptions of the effectiveness of students as marketing consultants. The study stated that the majority of (business) clients were satisfied with the assistance provided, finding student reports important for the development of their marketing strategies. In addition, entrepreneurs viewed students' professionalism, business knowledge, practicality of recommendations, and their overall analysis favorably. Finally, a regression model indicated that client satisfaction could be predicted based on students' business knowledge and practicality.

IMPLEMENTATION OF THE INTERNSHIP PROGRAM

Recently the SBI faculty representative at Middle Tennessee State University and the university’s SBDC service center director developed two programs utilizing students as interns with area businesses. One program facilitates the connections with business owners and students that results in student placement with a firm that is monitored by a faculty representative. As an SBDC client, the business owner coordinates the business counseling suggestion(s) along with the student’s assistance in the implementation of the business counselor’s suggestions evolving out of the client counseling session(s). Eleven firms participated in the first implementation of this program with twelve interns. The results of this collaboration have been that the students have gained real world working experience while working with the business, the faculty representative, as well as additional experience through work with the SBDC service director. The student intern was able to help implement some of the changes that the business was looking at making based on the suggestions and continued efforts of the SBDC service director. In addition, the student intern created a consulting report for the business following the engagement time that was passed on to both the business owner as well as the SBDC service director for further follow-up.

Thus, the benefits from this collaboration have been many. First, the student has the opportunity to be engaged in an active small business startup, they have the opportunity to consult on a regular basis with the SBDC representative about the small business, and they have the opportunity evaluate the small business through a semester long project to provide feedback and recommendations. Second, the business owner experiences the benefit of having the student intern throughout the semester, the opportunity for enhanced consulting from the SBDC, and the additional benefit of an onsite consulting report from the student. Finally, the SBDC receives the benefit of the student’s efforts towards consulting of the small business.

Another program is a pilot project with a regional bank who has partnered with the SBDC. The partnership involves both assistance to the bank’s business customers through the use of student interns from the local university, who partner with the local SBDC to provide help and assistance. In addition, customized business training sessions are also provided on a wide range of business development topics. The bank benefits from both a marketing perspective as well as via customer relations.
Students are engaged in both the counseling and training aspects of the assistance provided to the bank’s customers through their assigned internship through this partnership with the SBDC. At the completion of their internship with the local business, the students provide the SBI faculty representative with a list of accomplishments based on outlined objectives, an interview report of the business owner, and a consulting report that outlines recommendations for the local business, all of which are requirements for course completion. The faculty representative and SBDC director evaluate the students’ performance based on the business owner’s response to a post student internship survey.

CONCLUSION

Students who wish to participate in the SBI and SBDC internship program at Middle Tennessee State University must demonstrate a positive attitude toward entrepreneurship and have an entrepreneurial personality, both of which are evaluated by the SBI faculty representative and the SBDC director. Armed with prequalified students, the SBI and SBDC can work together to identify SBDC clients who could benefit from an opportunity to participate in the internship program. Students are also given the opportunity of approaching businesses about an internship where the type of business is of interest to the student, in which case the SBI and SBDC representatives will interview the business owner before approving that business.

The SBI and SBDC programs all too often do not connect. The potential upside to a partnership between the two programs has been demonstrated in a relatively short time at Middle Tennessee State University, and the resources and history of both programs can be leveraged to assist both the business community and university students. There is no downside. New businesses are expressing interest in this program and students are eager to participate in these internships. As this partnership progresses it is hoped that quantifiable data as to the benefits to both business owners and student interns will result research outcomes which can be shared with all concerned.

REFERENCES