



Research in Brief

Prepared by the National Women's Business Council

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Mentoring in the Business Environment

Recent estimates indicate that over one in 18 adult women in the U.S. – 5.7% – is a business owner. As of 2002, there are an estimated 10.1 million privately-held businesses in which a woman or women holds at least a 50% ownership stake – including 6.2 million majority-owned, privately-held women-owned businesses. Women- and equally-owned firms employ 18.2 million people and generate \$2.32 trillion in sales.¹ These impressive facts draw attention to the need for resources that facilitate business success. Among such resources are training and technical assistance, and, more specifically, business mentoring.

This study examines existing, formal mentoring programs offered around the country to women and men business owners and also reviews existing research on mentoring for women business owners. It compares program structures and how matches are made between mentor and protégé and among peer groups. It offers insights into the relationship between business stages and program types, and looks at unique characteristics among programs geared specifically to women. The study suggests avenues for additional exploration such as e-mentoring, which we predict will take mentoring to the next level in its evolution and greatly expand its accessibility and immediacy.

Mentoring Programs

Mentoring is a concept that has been defined in many ways, including a one-to-one interaction or counseling, among other definitions. While there is no generally agreed upon definition of what business mentoring entails or what form it takes, it is clear that there is a growing interest in mentoring for and by business owners, and an increasing number of such programs. In this study, we review a number of existing formal business mentoring programs and uncover some common characteristics and practices.

Business mentoring occurs throughout today's business environment, both formally and informally, and across sectors. Formal business mentoring differs from the informal in that formal mentoring is typically the product of planned programming. Formal business mentoring programs can be found under public and private auspices at the local, state and national levels. Formal business mentoring programs employ diverse models, establish varying eligibility requirements and target different audiences, among other characteristics. The purpose of each program, however, is fundamentally the same – to foster the success of business owners.

Effective Selection of Mentoring Programs

At given points of a business' maturity, a business owner appears to be best served by a particular type of mentoring program. In addition, there are some specific program elements that may prove especially beneficial for women business owners. Further, when selecting a mentoring program, owners should keep in mind where their businesses are in development so that they can receive the

greatest benefit from mentoring. A mismatch of business stage and program type could prevent a business owner from getting to the next level of business at the desired pace.

- If their businesses are pre-start-up or start-up, women and men business owners would both appear to benefit most from **entrepreneurial training programs**, which provide subject-specific training to groups of prospective or nascent entrepreneurs.
- If their businesses are start-up or second-stage, women and men business owners would both appear to benefit most from a **mentor-protégé program**, which matches a business owner with a seasoned business mentor to facilitate coaching, knowledge transfer, and the creation of contacts, among other supportive activities. Women business owners would appear to benefit most from a program that matches one protégée with several mentors, or one mentor with several protégées, and gives each protégée the experience of a realistic stretch via a mentor(s) who is at the very next level up.
- If their businesses are second-stage or established, women and men business owners would both appear to benefit most from **peer-to-peer networking**, which gathers non-competitive peers from a variety of industries to confidentially examine significant business challenges that each faces. Women business owners would appear to benefit most from a structured form of peer-to-peer networking that plans participant composition, develops meeting agendas and monitors goal achievement.

Program Practices

Seventeen organizations shared information on nineteen mentoring programs that exist for business owners. These organizations were approached because they focus on women, mentoring and/or entrepreneurship. Outreach began with a small group as a starting point. Each organization produced referrals to other organizations, creating a large and diverse network of professionals to speak with. These organizations included non-profit groups, membership organizations, universities, and government offices, among others.

The organizations shared information on their common program practices, providing an opportunity to understand what makes a business mentoring program successful. Key programming elements that were mentioned by the organizations include planning, design, promotion, recruitment, and support.

Planning is considered to be both an initial and an ongoing program activity. Some organizations indicated that planning is the first of several activities they conduct to initiate program launch. Others indicated a consistent focus on this activity throughout the program lifecycle and in tandem with other programming elements.

Program design varies across program type and includes elements such as strategic matching of individuals and groups a well-planned orientation with clear guidelines and definition of roles, responsibilities and expectations. Many of the organizations contacted for this study use technology to facilitate mentoring and networking connections.

Irrespective of program type, all organizations agreed that program quality and growth are spurred by a champion and/or consistent promotion. Effective promotion can include word-of-mouth, the use of existing relationships, and direct recruitment.

When recruiting participants, organizations emphasized the importance of seeking program participants who embrace the overall concept of mentoring. Strategies include: rigorously screening program applicants to ensure “advisability” of protégés; targeting member recruitment to business owners who are already familiar with and embrace the concept of mentoring; and pursuing participant diversity (including gender, race, age, and background).

In terms of program support, organizations stressed the importance of addressing participant expectations, goals, time commitment, and communication processes. Strategies may include using written agreements, emphasizing the importance of relationships and networks,

the use of facilitators, and personalizing services to the needs of participants.

Irrespective of whether an organization offers entrepreneurial training, a mentor-protégé program or peer-to-peer networking, there are three key effective practices for business mentoring:

- Structure that includes a well-planned orientation with discussion of expectations, goals, time commitment and effective communication processes;
- Participants who are familiar with and embrace the concept of mentoring; and
- Promotion that consists of word-of-mouth and direct recruitment efforts.

Review of Literature on Business Mentoring

After developing an understanding about the women’s mentoring programs that organizations are currently implementing, both mainstream and academic literature were reviewed to locate research on mentoring for women business owners.

The National Consortium of Entrepreneurship Centers (NCEC) was also contacted to determine its knowledge of salient research. Created with the support of the Kauffman Foundation Center for Entrepreneurial Leadership and the combined leadership of the University of Maryland, University of Southern California, and Ball State University, NCEC assembles what it considers to be the best entrepreneurship centers in the country with an agenda to “enhance and foster improvements in curriculum, research, outreach, projects and financial support for entrepreneurship.” NCEC members include entrepreneurship centers from 57 U.S. universities.

An in-depth review of the literature reveals that discussion and analysis on the topic of business mentoring has focused primarily on corporate mentoring and related programs. Very little has been written on the topic of mentoring programming for business owners. To supplement the available literature, a number of mentoring and entrepreneurship scholars from across the U.S. were also contacted. When asked specifically about mentoring programming for *women* business owners, the majority of these scholars stated no knowledge of such research. Separately, the NCEC shared that, while it does not track its members’ research, it could confirm that its annual conferences have yet to sponsor sessions on salient research related to business mentoring.

Recommendations for Continued Research and Program Support

The following are a synopsis of the recommendations contained in the full report:

- Use the results provided here as a springboard for further research to explore the match suggested in this study between business stage and program type as the determinant of a successful program. Also, investigate whether women business owners are better served by women-focused organizations across program types.
- Use the results provided here as a springboard for further research to explore the program elements for each program type that are required for successful mentoring programs. Develop an exhaustive list of program elements and gather more details on each element about the effective practices that comprise that element, especially from organizations that sponsor a women's mentoring program.
- Explore e-mentoring (also known as telementoring) programs and their advantages for women business owners to determine if the reach of mentoring can be extended using the Internet, either for program outreach and marketing or for service delivery.
- Explore business-to-business mentoring programs to determine their advantages for women business owners. Focus on programs sponsored by federal and state governments.
- Consider creating a database of original research on women business owners with mentoring as one of the database's research categories. Such a tool could be used by academic researchers to enhance the study of women's entrepreneurship and, in turn, could spur further practical innovations.
- Raise the profile of the mentoring concept through outreach. Methods can include: creating an online portal to serve as a single point of entry to business mentoring resources, with web links and information about existing programs; publicizing the business development tools of entrepreneur-support organizations that focus on helping business owners measure their successes and get to the next level; and working with major magazines whose audience is primarily women business owners to determine the availability of no or low cost advertising opportunities for women's business mentoring programs on an ongoing basis.

- Encourage formal and informal evaluation of programs to help build the case for business mentoring and to help determine the extent to which women's program needs differ from those of men. While many of the organizations reported investing time in follow-up program evaluation through the use of exit surveys or informal verbal check-ins, it was noted that none have begun to evaluate their programs formally and consistently.

Methodology

This study was undertaken as a two-pronged effort, comprised of: 1) a literature review of research on mentoring for women business owners and 2) a review of the structure and coverage of existing programs. Its goals were three-fold: first, to underscore the relevance of business mentoring for women and to highlight relevant research in the field for U.S. policymakers; second, to update the mentoring community on the business mentoring practices being adopted in the field; and finally, to inform women business owners on the merits of business mentoring.

This research was conducted for the National Women's Business Council by Barrera Associates, a 13 year-old veteran- and minority-owned firm headquartered in Washington, DC. A copy of the report is available on the NWBC Web site.

The National Women's Business Council is a bi-partisan Federal advisory body created to serve as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. Members of the Council are prominent women business owners and leaders of women's business organizations. For more information about the Council, its mission and activities, contact: National Women's Business Council, 409 3rd Street, SW, Suite 210, Washington, DC 20024; phone: 202-205-3850; fax: 202-205-6825; e-mail: nwbc@sba.gov, web site: <http://www.nwbc.gov>.

¹ Center for Women's Business Research, www.womensbusinessresearch.org