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CREATING THE ULTIMATE SMALL BUSINESS STUDENT EXPERIENCE: MELDING SCORE/ACE WITH SBI*

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ABSTRACT

While numerous citations in the literature have lauded the benefits that could be derived from the establishment of cooperative relationships between SCORE/ACE and SBI, actual cooperation has at best been sporadic. This paper overviews the benefits SBI team members, small business clients, and the SBA derive from the SBI program; examines some of the reasons SCORE/ACE-SBI cooperation has not materialized; provides a model approach or framework to overcome the previously identified reasons/roadblocks to SCORE/ACE-SBI cooperation; and discusses the reasons such a cooperative effort should be encouraged.

INTRODUCTION

The years following World War II brought on tremendous opportunity for individuals interested in establishing their own small businesses. As the number of small businesses being established mushroomed, so did the need for assistance. In 1953, Congress created the Small Business Administration (SBA) with a charge to "aid, counsel, assist and protect the interests of small business concerns..." (Soll, 1973). In an attempt to accommodate an ever-increasing need for management assistance and as a supplement to its own efforts, in early 1963 the SBA began, on an experimental basis, soliciting the help of retired business executives. In October of 1964 the SBA took steps to formalize this service and, under its auspices, the Service Corps of Retired Executives or SCORE was born. In 1969, in order to more effectively meet the ever growing need for small business counseling, actively-employed volunteers were established as the Active Corps of Executives or ACE (*SCORE: A Brief History*, 1989, p. 2-4). In 1972, another small business assistance program, this one called the Small Business Institute or SBI Program, was established by the SBA. In the SBI program, advanced level business students, under the guidance of a faculty member, are assembled into teams to provide free counseling to small businesses.

While both SBA pamphlets (*Better Service to the Small Business Community Through SCORE and ACE and SB! Cooperation*, 1979) and published journal articles (Albertson, 1979; Gaston, 1979) have lauded the benefits

that could be derived from the establishment of cooperative relationships between SCORE/ACE and SBI, actual cooperation has at best been sporadic. It is the view of the authors of this paper that if such cooperation can be attained, SBI program involvement truly will become the ultimate small business student experience.

BENEFITS OF AN SBI PROGRAM

The SBI program has a three-fold purpose. It permits: (1) upper division business students to experience the application of current business theories to the problems being faced by real-world functioning small businesses, (2) functioning small businesses (with fewer than 50 employees) to obtain research and consulting assistance from a team of soon-to-be college of business graduates who carry out an assigned small business project under the guidance and supervision of a business faculty member, and (3) the SBA to maximize the research and consulting services it can provide to small businesses.

From the students perspective, the benefits gained stem from the necessity to draw upon knowledge/skills obtained from three or four years of academic study and then to apply that knowledge/skill in a very real setting where the prosperity of both the businesses' owner and its employees are at risk. Members of SBI teams must rely on earlier acquired skills to assess the nature of the problem(s) with which their assigned small business is faced; gather, compile, and analyze factual data related to that problem(s); prepare a written and oral report on that problem(s) and recommend solutions; and then communicate the results of the study to all involved parties (SBI faculty advisor, management of the assigned small business, and SBI Regional Director). All of this must be done while maintaining sensitivity to the fact that people's careers and livelihoods are at issue.

From the small businesspersons' perspective, benefits gained stem from the opportunity to secure research and consultation services from student business teams, who have the interest, time, and energy to thoroughly investigate issues which are of concern to the business, but which ordinarily would not get addressed because of the necessity of managing pressing day-to-day problems.

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From the SBA's perspective, utilization of SBI teams means assistance can be given to many more thousands of small businesses than would be possible through just the combined efforts of its own personnel and those of SCORE/ACE volunteers. According to a 1994 SBI economic impact study, for a relatively modest dollar amount (approximately \$3 million nationwide), more than 6,000 small businesses receive assistance annually.

REASONS FOR LACK OF SCORE/ACE-SBI COOPERATION

Both SCORE/ACE and SBI programs supply personnel to assist small business firms. The primary resource of SCORE/ACE members is their wealth of experience and their ability to provide in-depth individual counseling, whereas the principal asset of SBI teams is their recent academic education and training, including the direction provided them by SBI faculty.

While the philosophy of the Small Business Administration in regard to management assistance to small businesses supports cooperation between SCORE/ACE volunteers and SBI teams (*Better Service to the Small Business Community Through SCORE and ACE and SB!*

Cooperation, 1979, pp. 29-30), cooperation, in many instances, appears to be more of the exception than the rule. For example, in a study conducted by Elbert, Anderson, and Floyd (1983), of the 183 SCORE/ACE counselors that returned questionnaires, 63 percent indicated they were unfamiliar with the SBI program and 95 percent indicated none of the cases they had ever counseled had included SBI student teams. Part of the reason for lack of a more cooperative working relationship between SCORE/ACE and SBI may be related to significantly differing attitudes/perceptions of members of the two groups regarding joint counseling ventures (Elbert, Anderson, & Floyd, 1983). For example, when asked who should serve as leaders in joint counseling projects, SCORE/ACE study participants felt they should serve as the project leaders, whereas SBI faculty expressed a preference for students to fill this role (Elbert, Anderson, & Floyd, 1983, p. 42). In addition, regarding who should coordinate joint SCORE/ACE-SBI projects, SCORE/ACE participants preferred decisions be made by the SBA, while SBI faculty for they should be coordinating such projects themselves. Further, SBI faculty expressed markedly greater confidence in the ability of students to counsel effectively than did SCORE/ACE members (Elbert, Anderson, & Floyd, 1983, pp. 42-43).

A MODEL APPROACH TO SECURE SCORE/ACE-SBI COOPERATION

Figure 1 (not shown here) a quasi-matrix framework, depicts SCORE/ACE volunteers serving in supporting roles to SBI teams (staff authority) and the SBI faculty member/director

as the overseers of projects (line authority). With this arrangement, the SBI faculty member would be responsible for making project assignments, resolving conflict (if it should occur) between student teams and clients, checking client reports for clarity and errors, and evaluating student team performance. However, when specialized expertise/advice is needed by an SBI team, the SCORE/ACE member with that specialization could be contacted for help. The advice could be solicited as the project is being carried out or after the project is completed, but before it is presented to the client. As the skepticism of each group about the other is overcome and the working relationships and rapport between local SCORE/ACE volunteers and SBI faculty directors is cemented, a true matrix structure could be implemented.

RATIONALE FOR ESTABLISHING COOPERATIVE RELATIONSHIPS BETWEEN SCORE/ACE AND SBI

SCORE/ACE volunteers benefit from working with SBI student teams because team members are usually familiar with the latest in technology, eager to apply classroom theory to the practical world of business, and have the time and dedication to secure needed data for the client-project in question. Cooperation from student teams can significantly reduce the time the SCORE/ACE volunteer must spend collecting and assembling needed information—students have easy access to both the library and computers.

SBI faculty directors also can profit from more cooperative relations with SCORE/ACE counselors. The coaching and counseling provided to student project teams by SCORE/ACE volunteers can significantly reduce the time and burden of responsibility the SBI director must otherwise shoulder alone.

Business clients, while able to secure vital assistance from either SBI teams or SCORE/ACE counselors, can benefit even more if cooperative relations between the two have been established. With SCORE/ACE and SBI teaming up together, small business clients receive both the benefit of mature experience and the fresh enthusiasm of youth who are current on both new theories and practices.

Finally, since student learning is the primary consideration of this or any educational program, how the students benefit from any learning experience has to be of paramount importance. Some of the benefits students will derive when SCORE/ACE-SBI cooperation is obtained include multiple sources of experience, coaching, assistance, and mentorship.

(References available upon request.)