

PACIFIC BASIN SMALL BUSINESS NEEDS ASSESSMENT

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Abstract

Specific purposes of the Pacific Basin Small Business Needs Assessment Study¹ were: (1) To inventory and understand the small business needs of the Pacific Island communities of Oahu, Hawaii, Maui, Kauai, Guam, and American Samoa with regard to the desire for additional information and services categorized as accounting, marketing, finance, management, personnel, and other. (2) To gather demographic information related to organizations engaged in or serving small business in the Pacific Island communities studied.

The Study and Results

An opinion survey of thirty-seven questions covering the six information categories was completed by 523 small business respondents from a sample based on population and number of businesses in each island community. If a relationship between the survey results and overall population of the region is assumed, the confidence level for total responses is 95 percent and the error interval is ± 5 percent. In addition, confidence levels were estimated for each island. The importance of having additional information and service provided was defined as: (1) Essential, (2) Above Average, (3) Average, (4) Below Average, and (5) Not Important. A mean average response was computed for each service information category for the total sample and for each island community. A "Critical t Test" was applied to indicate specific information/service items assigned significantly higher priorities by respondents from each island community compared to Oahu respondents.

Oahu respondents indicated additional information/service needs as: (1) accounting (mean = 2.2), (2) finance (mean = 2.2), and (3) marketing (mean = 2.3). Accounting priorities were tax considerations, cash flow analysis, and accounting principles. Obtaining financing, calculating rates of return, and break-even analysis were financial priorities. Marketing needs focused on market opportunities, pricing methods, and target markets.

Like Oahu, Hawaii's needs were: (1) accounting (mean = 1.8), (2) marketing (mean = 2.0), and (3) finance (mean = 2.2). Accounting needs were accounting principles, income statement concepts, and cash flow analysis which, accompanied by depreciation methods, showed significant results. The three prime marketing services were market opportunities, target markets, and customer profiles which, along with market share, showed significant results. Financial priorities include break-even analysis, rate of return calculation, and business financing with break-even analysis as significant.

Kauai's respondents reported needs as: (1) accounting (mean = 1.5), (2) finance (mean = 1.6), and (3) marketing (mean = 1.6). Significant accounting priorities were accounting principles, constructing financial statements, and accounts receivable/payable control as well as depreciation tools. Financial needs were break-even analysis and long-and-short business financing methods with significance for break-even analysis. Of significantly

higher marketing importance on Kauai were determining market opportunities, target markets, and market share.

Maui's second and third priorities differed from previous island results: (1) accounting (mean = 1.8), (2) other (mean = 2.1), and (3) personnel (mean = 2.1). The accounting priorities were accounting principles, tax issues, and accounts payable/receivable with significant results for only accounting principles and depreciation methods. The other category priorities were business/legal considerations, insurance requirements, and governmental programs. Business/legal requirements, insurance requirements, and selection of organizational form results were significant. Labor regulations, employee/employer relations, and personnel/manpower needs assessments were vital personnel issues and, with the exception of manpower needs, were assigned significantly higher priorities than by Oahu respondents.

Guam's priorities were: (1) accounting (mean = 2.2), (2) other (mean = 2.5), and (3) marketing (mean = 2.5). Accounting needs were tax information, accounting principles, and dealing with inflation. Like Maui, the other priorities were regulations, insurance requirements, and government programs. Marketing information sought was target markets, market opportunities, and customer profiles.

American Samoa's results indicated prime concerns for: (1) accounting (mean = 1.5), (2) other (mean = 1.8), and (3) finance (mean = 1.9). Accounting needs were tax considerations, financial statement preparation, and cash flow analysis. Respondents assigned significantly higher importance to financial statement preparation, inflationary techniques, depreciation tools, and tax considerations than did Oahu respondents. Other priorities were organizational structure, insurance requirements, and government programs with organizational structure a significant priority. Financial information/services emphasized break-even analysis, rate of return determination, and financing sources with significantly higher needs for break-even analysis and rate of return determination.

Conclusions

There is a demand for additional information and services to be provided in the Pacific Island small business communities with accounting services as a universal topic area followed by marketing and finance in the more sophisticated communities. In addition, smaller island communities particularly desire more developmental information. Private enterprise, government, and nonprofit organizations should further research the market.

Reference

Dubois, Ronald, Brenda Moscové, and Joseph Peterson, Creation of a Small Business Center for the Pacific Basin (Honolulu: Chaminade University, 1980).