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Success Factors of Small Business Owners of Independent Financial Planning Firms

Joanne Snider
Walden University

Walden University

College of Management and Technology

This is to certify that the doctoral study by

Joanne Snider

has been found to be complete and satisfactory in all respects,
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the review committee have been made.

Review Committee
Dr. Kevin Davies, Committee Chairperson, Doctor of Business Administration Faculty

Dr. Richard Snyder, Committee Member, Doctor of Business Administration Faculty

Dr. Judith Blando, University Reviewer, Doctor of Business Administration Faculty

Chief Academic Officer
Eric Riedel, Ph.D.

Walden University
2015

Abstract

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by

Joanne Snider

MBA, Long Island University, 2005

BA, University of Michigan, 1970

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

Doctor of Business Administration

Walden University

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Abstract

Small Business Administration statistics indicate that 20% of small businesses fail within the first 2 years and 50% fail within 5 years. The purpose of this case study was to explore the success factors and strategies of 12 small business owners of independent financial planning firms who achieved profitability beyond 5 years. A gap exists in the literature concerning such business owners, and their experiences provide valuable information to others desiring to start or maintain a financial planning business. The conceptual framework was entrepreneurship theory and Porter's 5 forces model of competitive strategy. The data were gathered via semistructured interviews and business websites and newsletters. Initial coding of the responses preceded an analysis of recurring patterns and themes. This process led to the identification of major themes: technical training is necessary but not sufficient for success; planners need training in business creation, operations, and marketing; and differentiation is important and is achieved by specialization and providing excellent client service. The business owners used Internet websites to present unique planning approaches and fee structures to clients and prospects. These results provide information to people considering starting or maintaining a small business, providers of professional education and training, and business leaders seeking to improve recruitment and retention of financial planning employee retention. Implications for positive social change include providing information to policymakers who seek to support small businesses to mitigate small business failure rates, expand job creation, and provide sources for financial guidance for American employees.

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Section 1: Foundation of the Study

Introduction

The 21st century began with a series of various crises. After nearly a decade of economic downturns, the United States economy began to grow again in 2009 (International Labor Organization [ILO], 2009). Government policy makers and institutional leaders around the world have heralded the small business sector as a primary force leading economic recovery. Small businesses are integral to economic growth, and their success is important, but the number of small businesses is declining (SBA, 2014). In the United States, 75% of small businesses are self-employed individuals (SBA, 2014). The small business sector represents 99.7% of all businesses and accounts for 60% of net new jobs (SBA, 2014). While business starts each year number almost 500,000, less than half survive 5 years or more (SBA, 2014). Information concerning success factors for small business owners will assist policy makers and corporate managers to mitigate small business failures.

The financial planning industry is not immune to economic declines. Trends in the number of financial planners in the United States have followed the national economic trends. The number of professional financial planners leveled off during the financial crisis of 2008-2009 but began to rise again in 2010 (First Research, 2014). Forecasts for the financial industry are positive with predictions of annual industry growth of 8% between 2014 and 2018 (BLS, 2013). This level of growth will require additional financial planning professionals (First Research, 2014). The growing need for financial planners coupled with issues related to small business survival formed the foundation for this qualitative study. I interviewed 12 business owners of independent financial planning firms who have been in business for 5 years or more. The results provide valuable information on the participants' preparation and strategies that enabled them to maintain their businesses during volatile economic times.

Background of the Problem

The financial services industry in the United States includes more than 16,000 companies with combined annual revenues of more than $30 billion (First Research, 2014). Large firms dominate the industry with 50 of the largest companies accounting for half of the revenue. However, the profitability of firms, regardless of size, depends upon effective marketing (First Research, 2014). Small business owners need business strategies that differ from those of large firms, but owners often lack training in business and marketing strategies. Specifically, financial planners are trained to provide planning services that include topics such as (a) debt reduction, (b) asset accumulation, (c) college savings, (d) retirement, (e) estate planning, and (f) tax planning (Certified Financial Planning Board of Standards, Inc. [CFP Board], n.d.). The training is rigorous and focused on technical expertise but does not include marketing techniques or business operations. Individuals who attempt to start a business without sufficient skills suffer a high risk of failure (Luca & Cazan, 2011).

In addition to training needs, financial planners face challenges from many sources. New and complex investment products are difficult to understand, and small business owners find staying abreast of innovations difficult (First Research, 2014). In addition, financial advisory firms are subject to regulation by at least three bodies: the

Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), and the individual states in which they operate. Moreover, increased regulatory oversight such as the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 adds additional levels of scrutiny and an overhead burden that small firm owners find difficult to meet (First Research, 2014).

Increased competition comes from many sources. The passage of the Gramm-Leach-Bliley Act of 1999 (also known as the Financial Services Modernization Act) created the opportunity for bankers to offer investment and insurance services along with commercial banking. In addition, accountants and other professionals are increasing their ability to provide financial planning advice. Furthermore, free online tools serve the needs of some clients who favor technology over personal advising. Financial planners also need to be aware of the competitive forces that affect their industry so they can develop strategies to help them establish and maintain their position in the industry (Porter, 1980).

The financial services industry is growing. Corporate profits are an important indicator of demand for this industry, and as personal and corporate incomes increase, the demand for professional financial planning and investment advice rises in concert (First Research, 2014). The industry forecast (BLS, 2013) is for strong growth over the next 5 years, with key industry drivers as (a) energy prices, (b) technology innovation, (c) commodity prices, and (d) the growing number of female clients. Growth in the financial services industry creates additional opportunities for the creation of small business financial planning firms. Individuals who are considering creating businesses may benefit from an understanding of strategies that others used to be successful.

The purpose of this study was to explore the experiences of small business owners of financial planning firms who had been in their business for 5 years or more to discover the strategies, skills, or training that contributed to their success. Their business experiences provide insights for other small business owners or financial planners who aspire to become independent. In addition, corporate managers may learn strategies that assist them in recruiting and retaining financial planners.

Problem Statement

The number of net new jobs in the United States has declined significantly since the end of the economic recession in the country in mid-2009 (SBA, 2014). Small businesses are important drivers of economic growth and new job creation, but small businesses fail at an alarming rate (Solomon et al., 2013). SBA statistics showed that 20% of small firms fail within the first 2 years, and 50% fail within 5 years (Cader & Leatherman, 2011; SBA, 2014). The general business problem addressed by this study is that declines in the number of small businesses have a negative effect on the economic health of the nation (SBA, 2014). In particular, employment growth in the financial planning industry declined from a peak of 10% in 2005 to -2% during the recession and leveled off at approximately 4% in 2013 (First Research, 2014). Business owners of financial planning firms that achieved profitability during the period of economic volatility in 2008 – 2009 provide important information helpful to other individuals who are starting a business. The specific business problem addressed by this study is that small business owners of independent financial planning firms often lack information about success factors and strategies that could enable them to maintain profitability and avoid failure within their first 5 years of operation.

Purpose Statement

The purpose of this qualitative case study was to explore the success factors and strategies of independent financial planning small business owners who achieved profitability and had been in business for more than 5 years. The intention of this research was to identify and understand the success factors and strategies that helped the owners maintain their business despite a highly volatile economy. I employed a case study approach to explore the experiences of individuals in their own words and within the context of their own environment, as suggested by Stake (2010).

I collected data for this study by conducting personal, in-depth interviews of 12 business owners that I selected who were members of the Financial Planning Association New York chapter (FPANY) and had been operating the same business for 5 years or more. I recorded the interview responses of the participants and gathered information from business brochures and advertisements. As suggested by Yin (2003), I selected business owners of both genders who had varied levels of experience from different sized firms because such individuals are likely to provide a source of rich, diverse experiences and a variety of strategies that could benefit others.

The results of this study will provide information to individuals who are considering starting their own firm. This information may assist them with strategy development and knowledge of practices others have successfully used to increase the likelihood of success. The results will assist managers who want to improve recruitment or retention of financial planners by providing information on motivation and success. Finally, findings of this study contribute to social change by assisting policy makers to formulate policies that mitigate small business failure rates, facilitating new job creation and national economic growth.

Nature of the Study

The method for this study was qualitative. My intention was not to test a theory by specifying narrow hypotheses and measuring variables that support or refute the hypotheses that would prescribe a quantitative study. I rejected a mixed methods approach because it combines qualitative and quantitative methods and, consequently, was not an appropriate method for this study. Rather, my plan was to explore the success factors and strategies of small business owners of independent financial planning firms. The purpose of this study was to obtain an understanding of the skills that small business owners of independent financial planning enterprises need to succeed for more than 5 years. A qualitative study was the most appropriate choice for satisfying this research objective, as suggested by Denzin and Lincoln (2008).

The purpose and method of the research determine the design necessary for conducting a successful study. Among the most popular qualitative designs are (a) grounded theory, (b) narrative, (c) ethnography, (d) phenomenology, and (e) qualitative case studies (Denzin & Lincoln, 2008; Marshall & Rossman, 2006). Grounded theorists engage in constructing integrated theories grounded in the views of the participants

(Moustakas, 1994), which was not the purpose of this study. My goal was not to establish a theory, but, rather, to explore the success factors and strategies of the participants.

In narrative studies, researchers view an event or person over time (Denzin & Lincoln, 2008). Narrative research was not appropriate because the period for the phenomenon under study could have varied according to the participants' experiences. In addition, the focus of this study included the experiences of many individuals to arrive at a synoptic view. Consequently, narrative research was not the selected approach. Ethnography involves studying the sociological or cultural dimensions of a phenomenon (Denzin & Lincoln, 2008). While such factors may have influenced the participants in this study, my plan was not to establish a sociological or cultural basis for small business success. Consequently, ethnography was not the selected approach. The goal of phenomenological studies is to understand the perceptions of individuals' lived experiences to determine the essence of the experience (Moustakas, 1994). The business owners who participated in this study shared some of the same experiences, but in this study, I did not focus on finding the essence of the phenomenon. As a result of these factors, grounded theory, narrative, ethnology, and phenomenology were rejected for this study.

I selected the case study method as the most appropriate research method for this study because the case study method provides the ability to analyze data from a variety of sources. The purpose of this study was to provide an in-depth view of the strategies and skills the business owners used to maintain business profitability beyond 5 years. Personal, in-depth interviews provided thick, rich descriptions of the business owners' experiences in their own terms and within their own context. Company websites, social media, organizational brochures, and company literature served as sources for additional supporting information as recommended by Hancock and Algozzine (2011).

Research Question

The central research question that guided this study was as follows: What are the success factors and strategies of independent financial planning small business owners who have achieved profitability and have been in business for more than 5 years? I conducted personal, in-depth interviews with the participants. I recorded their responses, transcribed them, and provided them to the participants to ensure that the transcriptions accurately reflected their meaning.

Interview Questions

I posed the following questions to the participants. These questions addressed the main research topics.

- How long has your firm been in the financial planning business?
- What products or services does your firm provide?
- Are your firm's revenues less than $35.5 million?
- Has your firm achieved profitability within the last 5 years?
- How many employees are in your firm, including yourself?
- Please describe when and how you decided to start your own business.
- Please describe your education, training, and skills that enabled you to maintain profitability.
- How do you differentiate your firm from your competitors?

- Please describe strategies you use to maintain your business.
- How do you perceive the effectiveness of activities such as networking regarding business success?
- How do you perceive the value of social media or the use of a company website?
- What advice would you give another financial planner who was considering embarking on opening a small business? What skills or specific training would you recommend?
- What else, if anything, would you like to add to our conversation about the success factors and strategies related to your business' survival during the first 5 years?

Conceptual Framework

In this study, I used a conceptual framework that combined the theory of entrepreneurship with Porter's model of competitive strategy. Entrepreneurship concepts include business creation and innovation; strategic management concepts, such as competitive strategy, focus on maintaining and growing a business over time. This study combined these concepts to explain and document how small business owners of independent financial planning firms have successfully achieved profitability and maintained their business for more than 5 years.

The study of entrepreneurism is an emerging field, with no unified theory or agreed-upon definition of the term *entrepreneur* (Landstrom, Harirchi, & Astrom, 2012). The notion of entrepreneurial competencies has inspired a wide variety of studies and approaches. Researchers have discussed the characterization of entrepreneurs by personality traits, motives, social roles, and special skills (Caliendo & Kritikos, 2012; Verheul, Thurik, Grilo, & Van Der Zwan, 2012). Terms used to describe entrepreneurs include innovator, achiever, leader, hard-driving, competitive, and passionate (Caliendo & Kritikos, 2012).

Economists have studied entrepreneurial competencies because of the strategic role that entrepreneurs play in wealth creation (Bruton, Ketchen, & Ireland, 2013). As early as 1934, economist Joseph A. Schumpeter was among the first to recognize the important role that entrepreneurs play in the economic development of nations (Becker, Knudsen, & Swedberg, 2012). Schumpeter (1934) described the core ideas that economies evolve from causes within themselves, and entrepreneurs bring about innovations that disrupt economic equilibrium. In Schumpeter's view, evolutionary economics depended upon the mechanisms of variation, selection, and retention (Schumpeter, 1934). Schumpeter noted that the characteristics and personality of the entrepreneur were important for innovations to take place, but he also noted that any person could, in principal, act as an entrepreneur on some occasion (Becker et al., 2012; Schumpeter, 1934). Even though almost a century has passed since Schumpeter first published, his works are widely accepted by economists who view entrepreneurs as the driving force facilitating economic progress (Andersen, 2012; Becker et al., 2012).

Additionally, Burch's (1979) report demonstrating that the majority of new job creation in the United States came from new and small firms and had a large influence on the field of entrepreneurship (Landstrom et al., 2012). Burch's work sparked interest in the role of small firms in economic development and the important role of policymakers. Since that time, entrepreneurial research has grown to include studies on wide ranging topics such as social dimensions, entrepreneurial education, and cultural aspects affecting entrepreneurship around the world (Landstrom et al., 2012).

Starting a business is the first step, but sustaining the firm beyond 5 years is another challenge. The field of strategic management includes the study of how businesses grow. One pioneer in strategy, Porter (1980), studied why some business owners are able to grow their organizations and others fail. Porter posited that to be successful, firm owners need to have a clear understanding of their strengths and place in the industry. Porter argued that for firms to outperform others, owners needed to implement one of three strategies: (a) cost leadership, (b) differentiation, and (c) focus.

Porter (1980, 2008) concluded that firms' owners function in an environment containing five competitive forces: (a) entry barriers, (b) supplier power, (c) buyer power, (d) threat of substitutes, and (e) competitive rivalry. Porter (1980) posited that when individuals analyze their industry considering these forces, business owners could develop strategies that allow them to be successful. Porter's (1980) fundamental premise was that business owners need to differentiate their businesses from others by providing a unique product or service, and owners should focus on a specific market niche. Porter's model is not restricted to product-oriented firms but also applies to service firms or any business in which owners choose to deliver a different kind of value from competitors, rather than to deliver the same kind of value at a better price (Miles, Miles, & Cannon, 2012).

Porter's five forces apply to the financial planning industry in the following ways. In a service industry, few barriers to entry exist. Individuals must meet the licensing requirements of the appropriate regulatory bodies such as the SEC and FINRA, but individuals do not need large amounts of capital to enter the financial planning industry. Consequently, a proliferation of new firms may occur at any point in time. However, if new owners do not have a well-defined business strategy or sufficient training or skills, their success in the new venture may be at risk (Porter, 1980).

Suppliers to the industry are plentiful. A wide variety of financial products is available for financial planners to use or recommend to their clients. Competition among suppliers is high, and while suppliers may attempt to differentiate their products, most financial products are widely available. Consequently, supplier power is not the driving force of the financial planning industry.

Financial planning firms base revenues on services to clients. Thus, maintaining good client relationships is important to growing their client and revenue base. Good client relationships provide the client with sound financial advice and give the planner income stability. Consequently, clients (buyer power) are the most powerful force in the industry.

Clients face few switching costs should they decide to change financial planners or firms. If a problem exists, clients who have a relationship with a trusted planner will attempt to resolve issues before leaving the firm (Loots & Grobler, 2014). Instead of consulting financial planners, some individuals prefer using software packages rather than seeking advice from an individual. Technology provides substitutes in the form of software packages. Consequently, substitutes exist and business owners must consider this threat. Good client relationship skills will assist business owners in combatting this threat.

Rivalry exists among firms, and pricing of services may affect product offerings, but the wide availability of comparable financial products mitigates product price wars. Instead, business owners find themselves vulnerable to competitors who offer additional services or to newly emerging online tools. Employers risk losing employees who leave to go to other firms or to start their own business. Business owners need to develop strategies that combat these forces if they are to thrive and grow (First Research, 2014).

In this case study, I explored why business owners of financial planning firms started their businesses, how they prepared for startup, and the education, training, and skills they possessed or acquired. I also explored how individuals maintained their businesses, how competitive forces affected them, and how they responded. Participants' experiences may provide information to other small business owners and those who are considering starting their own firm. This study may also be of interest to managers in large financial planning organizations who are concerned with developing strategies to retain financial planners.

Operational Definitions

CFP®: A designation signifying that an individual has met the CFP Board's certification standards (CFP Board, n.d.).

CFP Board: Certified Financial Planner Board of Standards, Inc. (CFP Board, n.d.). A nonprofit organization that sets and maintains the requirements for CFP®

certification. Requirements include education and ethics, along with examination procedures and work experience.

Entrepreneur: An individual who, in an uncertain environment, has the ability to recognize opportunities, create ventures, and profit by exploiting opportunities that others fail to see (Gunter, 2012). Entrepreneurs tend to be innovative (Sandberg, Hurmerinta, & Zettinig, 2013). Entrepreneurs include those who are self-employed as well as those who own a business (Schoon & Duckworth, 2012).

Financial planner: An individual who provides planning services to clients in the areas such as budgeting, debt reduction, asset accumulation, college savings, retirement, estate planning, and tax planning (CFP Board, n.d.). Planners may or may not offer individual investment advice (CFP Board, n.d.).

Investment adviser: A person who provides specific investment recommendations to clients. Investment advisors may or may not provide comprehensive financial planning services (First Research, 2014).

SBA standards: The maximum amount a business can have and still qualify as a small business for federal government programs (SBA, 2014).

Small business: A privately held firm with 500 or fewer employees (SBA, 2014). Regarding revenues, for individuals engaged in portfolio management (standard industry code 523920), or individuals providing investment advice (standard industry code 523930), the size standard in millions of dollars of revenues is $35.5 million (SBA, 2014).

Assumptions, Limitations, and Delimitations

Assumptions

Assumptions are preliminary beliefs about the case study in general. Assumptions support a clear, logical rationale for the study (Marshall & Rossman, 2006). The primary assumption of this study was that the participants had an interest in the study and were honest and truthful in their responses. Another assumption was that active engagement as business owners for 5 years or more signified sustainable business success and business owners understood what skills or training attributed to their business profitability.

Limitations

Limitations of a study include factors that influence results but are beyond the control of the researcher (Hancock & Algozzine, 2011). This study included small business owners of independent financial planning firms only and, as such, did not include other types of firms. The participants were members of the FPA and maintained businesses in the New York City metropolitan area. Their views may not represent the views of all small business owners of financial planning firms.

Another limitation of the study was the data gathering process. I posed semistructured questions to the participants, inviting them to describe their business skills and techniques that helped them succeed. Their responses may not have revealed all factors that influenced them, but the objective was to explore those traits and skills that the business owners deemed to be most significant to their business development. The intent was that the interviews and subsequent analysis reveal insights that have practical value to others.

Delimitations

Delimitations are the boundaries of the research; they define the beginning and endpoints of a case (Yin, 2014). Delimitations include topics or areas that a researcher intentionally excludes. In this study, I focused on small business owners of financial planning firms who had been in business for 5 years or more. I did not include startup firms, firms that have been in business for less than 5 years, or firms that do not offer financial planning services as their primary service. Geographic limitations included participants who practice within the New York City metropolitan area of the United States. Interviews focused on the participants' skills and training upon starting their business and strategies they used to maintain their business successfully. A timeframe of 60 days for data collection and transcription was a self-imposed limit of this study. This timeframe minimized the risk of business owners changing their strategy during the scope of this study. The timeframe fit within my targeted completion of the Walden requirements for the Doctor of Business Administration.

Significance of the Study

The SBA (2014) reported that small businesses account for 99.7% of U.S. employer firms and are the largest contributor to net new job creation. The results of this study may contribute to economic growth by helping small business owners who are struggling to maintain their financial planning businesses. The findings of this study may contribute to an understanding of the training and skills required for small business success to mitigate the current 50% failure rate of small businesses within 5 years of starting.

Contribution to Business Practice

Little literature is available concerning success strategies for small business owners of financial planning firms, nor is there information concerning retention of employees in financial planning firms. Specifically, the findings of this study may provide business owners with information concerning strategies they can use to strengthen their position in the industry. The findings may also provide small business owners with the information they need to develop successful recruitment and retention programs. In addition, business owners may find ways to support employees or associates, helping them to advance within their careers.

Implications for Social Change

The purpose for this study was to explore the success strategies of small business owners of financial planning firms. The experiences of these business owners may inform those who are preparing to create new businesses, providing new owners with additional insight. The findings of this study may support social change by providing information to policy makers who are seeking to support small businesses and mitigate failure rates. Improving success rates for small businesses will expand job creation and mitigate unemployment.

A Review of the Professional and Academic Literature

Entrepreneurship is an area of study by economists and policy makers because of the important role entrepreneurs play to create, operate, and maintain markets (Gunter, 2012; Huarng & Riberio-Soriano, 2014). Creating new ventures and products that add value are critical for economic growth, especially when world leaders are attempting to recover from global financial crises (Arthur & Hisrich, 2011; Bruton et al., 2013). Government leaders throughout the world promote entrepreneurship as a national priority for alleviating poverty (Bruton et al., 2013; Cho & Honorati, 2014). In the United States alone, small businesses account for the creation of 63% of private-sector jobs, and more than 80% of small business owners are self-employed individuals (SBA, 2014). Government policy makers and institutional leaders can contribute to the wealth of the economy by developing and supporting small businesses (Bruton et al., 2013; Huarng & Riberio-Soriano, 2014).

Unfortunately, the failure rate for small businesses in the United States is high, with 50% of businesses failing within the first 5 years (SBA, 2014). Because so many businesses fail within the first 5 years, the assumption is that the skills or characteristics for creating a business are not the same as those required to maintain a business (Chiang & Yan, 2011). Alternately, maintaining and growing a business requires different resources and strategies from business startup (Porter, 1980).

This literature review includes articles relating to the main research question: What are the success factors and strategies of independent financial planning small business owners who have achieved profitability and been in business for more than 5 years? The purpose of this literature review was to provide an overview of relevant studies addressing a range of issues relating to entrepreneurship, small business, strategic competitive advantage, and financial planning. I used peer-reviewed journal articles, books, and government publications published on these topics. All journal articles were peer-reviewed. Of the 175 sources used in this study, 155 or 88.6% were peer reviewed, and 150 or 85.7% of all sources appeared after 2010, or within 5 years of the completion date of this study (see Table 1). I accessed research materials through the Walden University Library databases such as ProQuest, EBSCOhost, Science Direct, and Sage Publications. I performed additional searches using commercial search engines such as Google Scholar. Search items included *entrepreneurship, small business, Porter's five forces, strategic advantage,* and *financial planning.* I have summarized, compared, and contrasted researchers' views of these topics, providing the background necessary for explaining the experiences of small business owners of financial planning firms who have succeeded in maintaining their businesses for 5 years or more. Table 1 provides a detailed description of sources by publication date.

Table 1

Sources Used in Study

Source	Prior to 2011	2011	2012	2013	2014	Total
Peer-reviewed articles	11	43	53	33	15	155
Books	7	1			1	9
Other	7			2	2	11
Totals	25	44	53	35	18	175

Entrepreneurship and Personality Traits

In an attempt to increase the creation of new businesses with resulting increases in employment and economic development, governments, institutions, and academics have attempted to find ways to encourage the development of new entrepreneurs (Arthur & Hisrich, 2011; Caliendo, Fossen, & Kritikos, 2014). One popular approach involved using a five-factor personality model developed by psychologists (McCrae & John, 1992;

Owens, Kirwan, Lounsbury, Levy, & Gibson, 2013). The characteristics in the model were (a) extraversion, (b) agreeableness, (c) conscientiousness, (d) openness to experience, and (e) emotional stability (McCrae & John, 1992). Surprisingly, when economists attempted to apply the model, they had mixed results (Caliendo et al., 2014; Mayer-Haug, Read, Brinckmann, Dew, & Grichnik, 2013). Researchers found that three traits, (a) extraversion, (b) openness, and (c) emotional stability, were good predictors of becoming an entrepreneur, but conscientiousness and agreeableness were strong predictors of business failure (Caliendo et al., 2014). The researchers surmised that success eluded individuals who did not have strong abilities to negotiate and drive a hard bargain (Caliendo et al., 2014). The five-factor model provided interesting information but was not sufficient to describe an entrepreneur.

Researchers found other factors associated with successful entrepreneurs. One of these traits was high internal locus of control or the ability to control outcomes (Caliendo et al., 2014; Sandberg et al., 2013). People with high internal locus of control believe that their actions determine future outcomes; those with high external locus of control believe that external factors or the environment determine their success or failure (Sandberg et al., 2013). Entrepreneurs typically rank high on internal locus of control. Caliendo et al. (2014) found that after 3 years of self-employment, a high external locus of control had a negative effect on the probability of small firms to survive. Entrepreneurs have a strong belief in their ability to create and manage their businesses, despite external circumstances; in other words, entrepreneurs rank high in self-efficacy.

A popular notion is that entrepreneurs are fearless risk takers. Some assume that entrepreneurs have low risk aversion, resulting in high risk taking and superior performance (Caliendo & Kritikos, 2012; Willebrands, Lammers, & Hartog, 2012). However, many researchers have produced results that counter this view. For example, Willebrands et al. (2012) distinguished among risk preference, risk perception, and risk propensity. Risk preference is the enjoyment of risk (gambling), risk perception as an assessment of risks inherent in a situation, and risk propensity as the ability to take risks in a given situation (Willebrands et al., 2012). Willebrands et al. found that successful entrepreneurs were individuals who recognized risks and cautiously dealt with them. The ability to perceive risk led to improved business performance because the perception provided an opportunity to develop strategies to mitigate risk (Willebrands et al., 2012). Additionally, Caliendo et al. (2012) found among all entrepreneurs, those with risk tolerances in the middle range had higher survivor probability than those whose risk tolerances were either very high or very low. Risk taking does not describe successful entrepreneurs; rather, recognizing and managing risks appear to be an essential characteristic for creating and maintaining a small business.

Additional researchers identified entrepreneurs as individuals who can recognize opportunities they can exploit in the presence of an uncertain environment (Gunter, 2012). Entrepreneurial behavior includes taking initiative, creating and organizing mechanisms to achieve objectives, and accepting the risk of failure (Arthur & Hisrich, 2011). Further, entrepreneurs have a need to achieve or attain something, or create something new (Arthur & Hisrich, 2011). Additionally, Cardon, Gregoire, Stevens, and

Patel (2013) cited passion as the heart of entrepreneurship, noting that passion drives creativity, is central to an individual's ability to hire and motivate employees, and even affects an entrepreneur's ability to raise funds from investors.

In brief, researchers have characterized successful entrepreneurs as extraverts who are open to new ideas and have the emotional stability to deal with uncertainty. Entrepreneurs are persons with a high internal locus of control and moderate risk takers. They are individuals who can recognize and exploit opportunities, have a need to achieve, and a passion for what they do.

Entrepreneurial Motivation

Individuals start businesses for many reasons, but a common popular belief is that business owners' primary motivation is the desire for financial rewards (Carter, 2011). However, the high degree of failures indicates that self-employment income estimates are volatile and often unknown (Carter, 2011). Studies concerning the motivation of entrepreneurs indicate a broad number of rewards anticipated, but almost all entrepreneurs exhibit a high degree of autonomy (Caliendo & Kritikos, 2012; Carter, 2011). Self-employment may satisfy this need, but it may require a tradeoff between autonomy and financial rewards (Caliendo & Kritikos, 2012; Croson & Minniti, 2012). To explore this topic, Croson and Minniti (2012) created a model associating entrepreneurs' needs for psychic rewards with economic rewards. Their results indicated that self-employed individuals derived higher satisfaction from work than organizational employees experienced (Croson & Minniti, 2012). Surprisingly, their findings also showed self-employed individuals were even willing to accept lower income in exchange for the psychic benefits anticipated (Croson & Minniti, 2012). Other researchers experienced similar results (Carter, 2011; Owens et al., 2013). Carter (2011) found that in addition to independence, flexibility and job satisfaction were important forms of compensation for entrepreneurs. These studies contribute to our understanding that while entrepreneurs often share common traits, individual motivations are complex, and wealth accumulation may not be the most important factor.

While many people express a desire for entrepreneurship, few are successful (Arthur & Hisrich, 2011). Luca and Cazan (2011) posited that the sources for failure were likely to be lack of required preparation and skills. Solomon et al. (2013) asserted that those who fail might lack sufficient human capital.

Human Capital and Cognitive Abilities

Human capital includes (a) formal education, (b) training, (c) work experience, (d) parental background, (e) skills, and (f) knowledge (Unger, Rauch, Frese, & Rosenbusch, 2011). Block, Hoogerheide, and Thurik (2013) determined the higher an individual's level of the education, the higher the probability that the individual will start a business. In addition to starting a business, entrepreneurship researchers have suggested that there is a strong positive relationship between human capital and success of the business. In their analysis, Unger et al. (2011) concluded the outcomes of human capital investment such as knowledge and skills determined success, rather than training and experience, which do not always lead to knowledge.

Along these same lines, Hartog, Van Praag, and Van Der Sluis (2010) measured the effects of cognitive abilities and noncognitive abilities on incomes of individuals who were entrepreneurs compared to salaried employees. Cognitive abilities included (a) verbal, (b) mathematical, (c) technical, and (d) administrative abilities and were higher in entrepreneurs, whereas noncognitive abilities were higher in employees. The researchers found that earnings levels in entrepreneurship were higher than in employment, but only for the upper echelon; for the average individual, entrepreneurial earnings levels were lower (Hartog et al., 2010). In another study, Van Praag, Witteloostuijn, and Van Der Sluis (2013) investigated the effects of formal education on income returns for entrepreneurs as opposed to employees. The researchers found there were on average between 2% and 13% higher returns for each year of formal education for entrepreneurs compared to employees (Van Praag et al., 2013). They suggested that entrepreneurs faced fewer organizational constraints, enabling them to use their formal education more productively (Van Praag et al., 2013). The implication is for organizational leaders to find ways to encourage individuals to exercise more control over their talents and apply their education to value creation within the firm.

While some researchers have explored the effects of education in general, others have studied the effects of entrepreneurial education. Many policymakers promote entrepreneurial education, assuming that individuals can learn entrepreneurship skills regardless of personality characteristics (Oosterbeek, Van Praag, & Ijsselstein, 2010). However, studies about the relationship between education and successful entrepreneurship have yielded mixed results. Oosterbeek et al. (2010) performed a study to explore the effects of mandatory entrepreneurial education on students in a vocational college. Results indicated the effect of the program on students' self-assessed entrepreneurial skills was insignificant, but the effects on students' intentions to become an entrepreneur were significantly negative (Oosberbeck et al., 2010). However, in another study, Von Graevenitz, Harhoff, and Weber (2010) found that an entrepreneurship education was valuable to determine more clearly whether students were suited to entrepreneurship. Training may not increase entrepreneurial ability but may help minimize failure of those who are uncertain about their ability. Aldrich and Yang (2013) argued that acquiring the knowledge to organize and run a profitable enterprise is a lifelong process and depends on effective habits and heuristics. In their view, entrepreneurial learning is a dynamic process; previous experience and interactions with parents, friends, teachers, and colleagues were important factors in entrepreneurial success (Aldrich & Yang, 2013). For this study, I explored the training and education of the business owners of financial planning firms who have maintained their businesses for 5 years or more. Participants' preparation to embark on a successful business venture may provide valuable information to others who are considering starting their own firm.

Business Survivability

The motivating factors and characteristics that drive business startup may not be the same as those that contribute to business survivability. Small business is the backbone of the economy (Schoon & Duckworth, 2012) and trends for the past 5 years show more business closings than startups (SBA, 2014). Statistics reported by the SBA (2014) for fiscal year 2012 showed 470,736 deaths with only 409,040 births. Not all closings are a result from bankruptcy. For example, mergers and acquisitions may occur, or small businesses may outgrow their small business category. Nevertheless, the downward trend remains an area of concern.

Many researchers have analyzed the factors contributing to small business survival with interesting results (Armstrong, 2013; Ayala & Manzano, 2014; Mayer-Haug et al., 2013; Unger et al., 2011). Mayer-Haug et al. (2013) found a close association between profit and an entrepreneur's skills, experience, and networking abilities. However, the researchers discovered that planning was even more important than entrepreneurial skills (Mayer-Haug et al., 2013). In a longitudinal study, Kessler, Korunka, Frank, and Lueger (2012) also showed that along with the founding process, continued business planning was the primary factor in business survival. On the contrary, Coleman, Cotei, and Farhat (2013) established that financial capital at startup was the most important factor in business survival. Sok, O'Cass, and Sok (2013) contributed another important aspect of survivability. The researchers found that the relationships among marketing, innovation, and learning capabilities created a synergy that prevented competitors from imitating the firm, enhancing marketing outcomes. Added to these results were studies by Ayala and Manzano (2014) who demonstrated that entrepreneurial resourcefulness was important to survivability. Solomon et al. (2013) established that cognitive skills were not sufficient for business success but that technical assistance in marketing and financial planning had a positive effect on business growth and success.

The topic of business survival is complex. Researchers have identified a variety of contributory factors, but most researchers support the concept that success requires cognitive skills, work experience, and personality characteristics, including resilience.

Many researchers regard planning as the most important activity, but not all researchers agree on its place in the small business landscape.

The Value of Business Planning

The value of business planning is a controversial topic in entrepreneurship research. Some researchers proposed that business planning is important for survival and leads to superior performance, whereas others challenged this view and emphasized learning, flexibility, and controlling resources as an entrepreneur’s critical activities (Agyapong & Muntaka, 2012; Mayer-Haug et al., 2013). In their meta-analysis, Brinckmann, Grichnik, and Kapsa (2010) found business planning to be a benefit to all firms but, surprisingly, they found that planning had a stronger effect on established firms than startups. Brinckmann et al. (2010) recommended combining learning and doing at the same time instead of performing these activities in a sequential fashion. In addition, Brinkmann et al. posited that after the business was operational and uncertainty lessens, the founders could devote more time to formal business planning processes. Chwolka and Raith (2012) supported this approach, noting that not all business plans are formal, and entrepreneurs must weigh the costs of planning, including time, energy, and effort, against the expected results. The process of planning may occur informally and still be effective (Chwolka & Raith, 2012). The participants in this study have experience in personal financial planning for clients. The interviewees yielded interesting information on how they applied their training and experience to their own business startup and continuance. This information may be of practical value to other small business owners of financial planning firms who are weighing the costs of planning versus the anticipated benefits.

Porter's Five Forces

Porter (1980) focused on why some firms succeed and some firms fail. Porter recognized that the issue of success or failure was complex, and the fundamental reasons or causes for success or failure involved interactions among a number of different variables. The model gained acceptance because it was comprehensive, easy to understand, and generic, serving as an analytical tool for management regardless of the industry or sector involved (Porter, 1980). Porter (1991) posited that management choices were the fundamental determinants of success; discrete activities determined a firm's position in the industry and its competitive advantage. A firm may start out with favorable initial conditions, such as a high level of skills and a good reputation, but skills alone will not ensure success. If managers understand their industry and know how to apply their resources correctly, the firm can be in a better position to achieve and maintain a competitive advantage (Porter, 1991).

Porter (1980) posited that, in their quest for success, managers needed to consider five forces that affect their industry and their firm's position within the industry. The first of those forces is the threat of entry. New entrants into a market bring new competition, which can have a detrimental effect on profits. Barriers to entry may include large amounts of capital investment, high switching costs, low access to distribution channels, and restrictive government or licensing policies (Porter, 2008; Tavitiyaman, Qu, & Zhang, 2011; Ucmak & Arslan, 2012). When barriers to entry are high, newcomers have to find creative ways to overcome the barriers if they want to challenge existing firms. New entrants may force incumbents to lower prices or seek innovation to remain competitive (Porter, 2008).

Barriers to entry in the financial planning industry include the requirements for planners to attain insurance and licenses from state, federal, and industry regulators. The licensing process is not capital intensive but requires a significant amount of training in addition to successful achievement of industry standard examinations. The training requirements form a barrier for some individuals. Others who become successful demonstrate achievement in (a) mathematics, (b) economics, (c) securities and investments, (d) insurance and risk management, (e) retirement planning, (f) education savings, and (g) estate planning (CFP Board, n.d.). However, training in entrepreneurism, management theory and practice, and marketing techniques are not requirements for entry into the profession. Therefore, financial planners may be excellent analysts but may lack the training and skills required to establish and maintain a business. The intent of this case study was to explore the experiences of individuals who have successfully created and maintained their financial planning businesses. Their activities may inform management practice and may advance the financial planning profession.

Powerful suppliers may control pricing or product quantities, affecting profits (Porter, 1980). Companies who depend upon suppliers may find switching costs prohibitive; this, in turn, limits their choices. In the financial planning industry, suppliers are vendors of financial products, including insurance products, mutual funds, and equity investments. Financial planners may choose from thousands of equity investments and numerous insurance products. The number of suppliers is not a driving force in this industry.

Another force affecting business owners is the threat of substitutes (Porter, 1980). Substitutes perform the same or similar function or produce a similar product. The threat of substitution is a consideration for managers in all industries, but in the financial planning industry, this threat is high. Clients freely switch from one firm to another or from one advisor to another. Some individuals may choose to use the Internet or software packages to perform their own research and formulate planning strategies rather than work with a personal planner (Trahan, Gitman, & Trevino, 2012). Planners and managers must be alert to clients' needs, especially when switching costs are low and substitutes are available.

Rivalry from competitors in the same industry may be intense, resulting in limits to profitability for all industry firms (Porter, 1980). Competitive rivalry may be a destructive force, but, on the other hand, Porter (2008) noted than competition may be desirable because it pressures firms to become more efficient and innovative. In the financial planning industry, rivalry may be intense, and planners and managers must be alert to signals from competitors. Financial planners may need to create a market niche to differentiate themselves from their competitors. For example, planners may engage in specialized training or develop expertise in financial products that rivals may find it difficult to duplicate.

Porter (1980) mentioned the power of buyers, which is especially strong in industries involving knowledge-based consulting, such as financial planning. Satisfied customers provide longevity to small firms, particularly when switching costs are low and products are undifferentiated. Customer needs may be intangible and difficult to define, but planners and managers must remain vigilant to client signals.

Porter (1980) advised that firm owners could overcome competitive forces by choosing one of three broad strategies: cost leadership, differentiation, or focus. Cost leadership stresses efficiency and high volume, differentiation stresses innovation, and focus stresses serving only a particular market segment and may include cost leadership, differentiation, or both. Should firms fail to choose a strategy in at least one of these dimensions, they would be in a poor strategic position to achieve and maintain profitability (Porter, 1980).

Studies Illustrating the Use of Porter's Five Forces

The effective application of Porter's (1980) model has helped businesses in a variety of industries (Dobbs, 2014). Han, Porterfield, and Li (2012) used Porter's model in their empirical study of U.S. manufacturers. The researchers' goal was to identify specific factors influencing whether manufacturing firms would use contract manufacturers as outside suppliers. Han et al. (2012) investigated the implications of the power of suppliers as an industry competitive force. Surprisingly, their findings were that there was a positive relationship between firms using contract manufacturing and supplier industry competition. In other words, when the power of suppliers was high, manufacturers increased rather than decreased outsourcing to contract firms to remain competitive. Porter's (1980) model provided the framework for their analysis and strengthened the position of the contract suppliers.

In another study, Tavitiyaman et al. (2011) used Porter's (1980) model to analyze hotel performance. Supplier power and substitutes did not have a major influence on the hotel industry because there were many suppliers and few substitutes. However, the researchers found that competitive rivalry, bargaining power of customers, and the threat of new market entrants were factors that influenced hotel profitability (Tavitiyaman et al., 2011). An empirical analysis led to their findings that hotels could use brand imaging to reduce customer buyer power; customers were willing to pay a premium price when they perceived a hotel offered high service and quality (Tavitiyaman et al., 2011). The strategy of developing a strong brand image provided existing hotels with an advantage over new entrants who would have to engage in costly advertising or provide discounts to compete (Tavitiyaman et al., 2011). Hotel leaders could reduce competitive rivalry by providing technology for employees and customers, and conducting training for employees to improve service levels. The five forces framework of the industry resulted in the identification of appropriate strategies and improved hotel performance.

Oraman, Azabagaoglu, and Inan (2011) adapted Porter's five forces model to the food industry in Turkey. The researchers determined that supplier power was low in the Turkish food industry, and buyer power was high with customers attracted to low prices (Oraman et al., 2011). The threat of substitutes was high because customers could easily switch from one company's products to another's. The threat of new entrants was low because the industry was capital intensive, and competitive rivalry was high (Oraman et al., 2011). These findings indicated the attractiveness of the domestic food industry was low in Turkey, and expansion would require some form of globalization in the future.

Without accurate industry analyses, policy makers would have been unable to identify investments that encouraged economic expansion. In this case, the need for globalization was uncovered.

On a similar note, Ucmak and Arslan (2012) used Porter's five forces model to analyze the competitive conditions of the hotel industry in Istanbul. The World Trade Organization had listed Turkey as a growing area for tourism (Ucmak & Arslan, 2012). The hotel industry was important to Turkey's economic growth, and the availability of accommodations in Istanbul, Turkey's most popular city, had an effect on the ability to satisfy growing demand. Ucmak and Arslan were particularly concerned with the ability of new entrants to enter the market. Using Porter's Five Forces as a framework, they conducted an analysis of 4 and 5-star hotels in Istanbul. Their findings showed there were high barriers to entry in Istanbul because of the lack of land for new buildings, the high cost of purchasing existing hotels, and the length of time for a return on capital investment. These conditions limited expansion in the central area of the city; an alternative would have to be found to accommodate increased tourism. Once again, an accurate assessment tool was important to identify the right industry sectors for investment, and uncovering weaknesses that might go unnoticed.

Many analysts have used Porter's (1980) model in combination with other theories and concepts to provide frameworks for complex situations. One example of this combination was a study done by Wang and Hong (2011) combining Porter's five forces with Porter's diamond model and strengths, weaknesses, opportunities, and threats (SWOT) analysis. Wang and Hong's goal was to explore the development of airports in various cities and develop strategies to optimize the location for fostering regional economic development. In their research, Wang and Hong used SWOT analysis as a prerequisite for understanding each city's potential development features. SWOT emphasizes the internal (strengths and weaknesses) and external (opportunities and threats) forces and sets a direction for strategy development. Wang and Hong applied Porter's Diamond Model, which comprises four determinants of national competitiveness: productive factors, demand conditions, related and supporting industries, and demand conditions. Their studies (2011) provided practical analyses and academic research on airport cities and strategic planning methods for other city developers. This example illustrates how researchers can benefit from using Porter's (1980) model in conjunction with other frameworks to analyze competitive positions and develop strategies to strengthen company performance.

In a broader sense, strategists need analytical tools to determine ways to keep up with changes in an industry. The retail industry is one example of how technology has led to revolutionary changes in the way that Americans do business. Barutcu and Tunca (2012) analyzed the way that retailers used the Internet and its effects on supply chain management from the perspective of Porter's five forces. Using the five forces as a framework, the researchers observed that technology has reduced barriers to entry, has reduced differences among competitors, has given retailers access to many more suppliers, and has given suppliers more access to retailers (Barutcu & Tunca, 2012). Advances in technology have resulted in decreased supplier switching costs, making it easier for retailers to find new suppliers, and increasing the threat of substitution (Barutcu

& Tunca, 2012). Technology also shifted bargaining power from suppliers to retailers. In general, advances in technology have expanded retailing and made the industry more efficient (Barutcu & Tunca, 2012). Porter's five forces provided an effective model to investigate changes affecting traditional retailers, suppliers, and their supply chain operations. Strategies have changed and continue to evolve as technology advances. Those who stay abreast of the changes have the greatest chance for survival.

Brenes, Montoya, and Ciravegna (2014) expanded the research on Porter's generic strategies by studying agricultural businesses in Latin America. The researchers' goal was to examine factors that distinguished firms implementing a differentiation strategy including higher prices from other firms implementing low-cost strategies (Brenes et al., 2014). Brenes et al. created a model for agricultural businesses based on empirical data. Their model included the strategic dimensions of management quality, innovation capability, agribusiness scope, marketing skills, and operational skills. The findings confirmed that firms that implemented a differentiation strategy had higher average values in these dimensions than firms that implemented a cost leadership strategy or firms that were stuck in the middle with no clearly defined strategy (Brenes et al., 2014). Of the five dimensions in the model, the most significant were innovation capability and marketing skills. These two factors had a direct effect on the way clients viewed the firm, perceiving new products as having higher value or superior quality (Brenes et al., 2014). While many studies on Porter's strategies have focused on manufacturing and service companies in the United States, Europe, and Japan, this study illustrated that Porter's strategies could be used effectively in agribusinesses, a sector of growing importance in Latin America.

Contrasting Theories

If company leaders wish to achieve a competitive advantage, they need to identify and focus on different strategies, building core competencies, acquiring unique technologies, and developing intellectual and human capital (Srivastava, Franklin, & Martinette, 2012). Early strategic management models analyzed firms' SWOT in an effort to identify factors that were important in achieving a competitive position. Porter's (1980) Five Forces provided a deeper understanding the firm's position within a given industry. However, as the strategy field developed, some researchers considered Porter's model to be lacking in some areas. For example, Srivastava et al. (2012) complained that the effects of technological progress on an industry should receive more emphasis. Their position was Porter's model was static, and the rapid pace of change brought on by technology required companies to be constantly scanning the environment to produce innovations in products or services (Srivastava et al., 2012). Dulcic, Gnjidic, and Alfirevic (2012) supported that position and posited that Porter's five forces model should include the dimension of time. They analyzed Croatia's food and beverage industry in three different time periods and found that the industry structure had time-specific effects on the firms, and the effects were not always the same (Dulcic et al., 2012). Adding the dimension of time could provide insight to managers, enabling them to increase detection of industry changes and respond in a faster timeframe. Rather than viewing this position as a criticism, adding the dimension of time is yet another confirmation that managers need to scan the environment constantly to maintain competitive advantage. Strategy is a dynamic process, not a static one.

An important theory contrasting with Porter's (1980) model was the resource-based view (RBV) of the firm that emerged a decade after Porter's original publications. Proponents of the RBV regarded internal resources as the main proponent for sustained competitive advantage rather than Porter's external forces. Barney (1991) formalized the RBV framework by positing that only when resources have certain characteristics can a firm sustain a competitive advantage. In addition, the organization had to be in a position to exploit these resources, granting the firm at least a temporary advantage over its competitors (Barney, 1991). The resource-based view assumed firms within an industry are heterogeneous, and the resources are not perfectly mobile (Barney, 1991). Some examples of this type of resource would be (a) certain physical assets, (b) brand equity, (c) installed company base, (d) patents, (e) trademarks, (f) unique technologies, or (g) governmental relationships. The resource-based view emphasized forces internal to the firm as opposed to industry forces outside the firm, but it appears to complement Porter's model, rather than contradict it.

The knowledge-based view was an extension of the resource-based view. The knowledge-based view considered knowledge capital as the most important asset for creating a competitive advantage. As Ziesemer (2013) noted, knowledge is intangible, does not depreciate, may be unique, and may be difficult for competitors to imitate. Crook, Todd, Combs, Woehr, and Ketchen (2011) supported the position that human capital could provide a firm with a competitive advantage. In their meta-analysis of the relationship between human capital and firm performance, Crook et al. (2011) found that although investing in human capital takes time and money, increased human capital could improve profitability. However, while these resources might create a competitive advantage, this does not necessarily increase profits (Costa, Cool, & Dierickx, 2013). For example, a firm may accumulate unique resources, but price is the foundation for market competition, and the resource owner's profit may decrease or be negative. Managers must assess the application of resources and be in a position to capitalize on their uniqueness to achieve the benefits of sustained competitive advantage (Costa et al., 2013; Porter, 2008). In firms that provide consulting services such as financial planning firms, managers need to evaluate their ability to maintain human resources by analyzing job content and utility from the worker's standpoint. Managers should design jobs that satisfy employees' needs in such a way that exceeds rivals' abilities to do so, limiting competitor attractiveness.

These views support the notion that for a firm to attain a competitive advantage it should differentiate itself from its competitors. A method owners of independent financial planning firms could consider is to invest in knowledge capital. Financial advisors seek additional specialized training and experience to present themselves as superior to their competitors. Achieving industry credentials such as CFP® could set them apart from the competition and improve firm performance. Additional methods business owners could use would be to engage in networking and targeted marketing.

Networking

Researchers have increasingly perceived networking as an important area for small business success (Anderson, Dodd, & Jack, 2010). Networks influence all individuals who participate, but networking assists small business owners in the important areas of business, such as management and growth of their firms (Harris & Misner, 2012). Almost all small businesses tend to be resource poor in the beginning, and nascent entrepreneurs, in particular, find networking to be a source for supplementing scarce resources (Newbert, Tornikoski, & Quigley, 2013; Schoonjans, Van Cauwenberge, & Bauwhere, 2013). Once a business has started, heterogeneous networks provide assistance to small businesses in all stages of their life cycle (Newbert et al., 2013).

Networking plays an important role to fill the gap in marketing, an area that partially accounts for most small business failures (O'Donnell, 2011). In a series of studies, O'Donnell (2011) explored the relationship of networking to small business marketing. O'Donnell posited that many marketing theories applied to large firms but not necessarily to small firms. O'Donnell began by interviewing small business owner-managers of 30 firms from a cross-section of industries to determine their fundamental marketing activities. Using those results, O'Donnell created an empirical model of marketing activities that included (a) marketing planning, (b) managing limited resources, (c) acquiring and maintaining customers, (d) gathering information about customers and competitors, (e) managing product and service offerings, (f) managing pricing, and (g) managing reliable delivery. Two overriding contextual norms that affected small business marketing are: industry norms and the life cycle stage of the organization (O'Donnell, 2011). In a follow-up study, O'Donnell conducted additional in-depth interviews with a subset of seven of the original firms. As a result, O'Donnell found that networking was important for small businesses. When the owners engaged in networking, they realized benefits in all areas of marketing regardless of industry sector (O'Donnell, 2014).

The widespread benefits of networking have led many researchers to explore the topic in greater depth, seeking ways entrepreneurs can engage in networking activities successfully (Hardwick, Cruickshank, & Anderson, 2012; Martinez & Aldrich, 2011). In an interesting series of case studies, Klyver and Foley (2012) explored business networks from three different countries and cultures. Klyver and Foley found the entrepreneurs benefitted from networking although cultural factors moderated the effectiveness. For example, some cultures regarded the role of the family as an integral part of the business and included family members in their networks; other cultures perceived only the individual as important to business and excluded family members from networks (Klyver & Foley, 2012). Some cultures incorporated social activities with business activities, while others did not (Klyver & Foley, 2012). Some cultures prohibited networking with diversity members or members from other cultures (Klyver & Foley, 2012). Moderating factors influence networking activities, but networking appears to be beneficial to small businesses in all stages of their life cycle. Networking may provide small business owners of financial planning firms with access to suppliers and customers through individual referrals.

Small Business Marketing

The U.S. economy has progressed toward service-based firms, and business researchers have increased their focus on service marketing, a sector that typically attracts small businesses (Fiore, Niehm, Hurst, Son, & Sadachar, 2013; Kunz & Hogreve, 2011; Lam & Harker, 2013). Small businesses differ from large firms because small business owners typically have limited resources to dedicate to marketing efforts (Chollet, Geraudel, & Mother, 2014; Fiore et al., 2013). Additionally, small firms usually have a lower profile than large firms do, increasing the difficulty for small business owners to differentiate themselves by building a dominant business reputation (Chollet et al., 2014). Entrepreneurs tend to be generalists who often lack management or marketing skills, and the small business owners' approach to marketing is often informal, simple, reactive, and opportunistic (Jones & Rowley, 2011). Entrepreneurs rely heavily on networking and word-of-mouth recommendations with no formal or written plan (Jones & Rowley, 2011). Business owners engaging in entrepreneurship marketing needed to be both customer centric and entrepreneur centric.

Owners of service businesses such as independent financial planning firms grow businesses by building and maintaining profitable long-term relationships with customers. Small businesses owners build customer trust and loyalty by understanding and satisfying customer needs (Al-alak, 2014). In addition, customers who are satisfied with the firm's service are an important source of referrals (Chollet et al., 2014). In the financial services industry, financial professionals interact personally with clients. These relationships build over time when the customer perceives the planner values them and holds them in high regard (Lam & Harker, 2013). Customer satisfaction leads to higher customer retention, and, additionally, Frey, Bayon, and Totzek (2013) found that high customer satisfaction had a direct, corresponding benefit for professional services employees. Increased client satisfaction led to increased employee satisfaction with higher retention rates and lower turnover of the professionals (Frey et al., 2013). Good client relationships form the basis for a win-win situation for the business owner and the client.

Need for Financial Planning

One serious outcome of the financial crisis of 2008-2009 was the erosion of confidence of consumers concerning financial institutions (Hansen, 2012). However, lack of confidence in institutions does not eliminate the need for financial planning. The complexity of financial products can be overwhelming to many consumers who have become more cost-conscious because of increased competition and the global slowdown (Nejad & Estelami, 2012). The CFP Board reported that in 2012, 28% of American households used a financial planner or adviser and more were likely to do planning in the future (Certified Financial Planner Board of Standards, 2013). In an empirical study, Marsden, Zick, and Mayer (2011) found that individuals who worked with an adviser engaged in goal setting, calculated retirement and other needs, accumulated increased emergency funds, and had increased confidence in meeting their financial goals. Hunt, Brimble, and Freudenberg (2011) found that when clients had a trusting relationship with their financial planner, the clients became more enabled to make good financial decisions. When individuals actively engage in setting goals and identifying strategies, their lives are enhanced (Irving, 2012). Successful financial planning firms are those that forge strong relationships with clients. Projections show the need for financial planners will increase in the coming years (BLS, 2013). Those who prepare well for the future reap the benefits of forming their own firms. The results of this study provide detailed information from those who have survived despite turbulent economic times. The results may provide managers with information to understand how to motivate and retain employees.

Transition

In Section 1, I identified the research method and design as a qualitative case study. I defined the research population as business owners of independent financial planning firms in the New York City area who have been in business for 5 years or more. The conceptual framework was two-fold, comprising the theory of entrepreneurism and Porter's five forces model of competitive strategy. The purpose was to understand success factors and strategies the business owners used to achieve profitability and maintain their businesses for 5 years or more. Section 2 includes: (a) a more detailed description of the research method and design, (b) the sampling methods, (c) the data collection techniques and organization, along with (d) means for assuring the study's reliability and validity. Section 3 includes an overview of the study and detailed findings. Section 3 concludes with an application to business and professional practice.

Section 2: The Project

In this study, I focused on understanding how small business owners to create and manage their financial planning firms. This section includes detailed information concerning the research method and design, the population, and details concerning data collection procedures and data analysis techniques. It also includes a discussion of the means for assuring the study's validity and reliability and methods for maintaining confidentiality.

Purpose Statement

The purpose for this qualitative case study was to explore the success factors and strategies of independent financial planning small business owners who have achieved profitability and have been in business for more than 5 years. The objective for this research was to understand the success factors and strategies that helped the owners maintain their business despite a highly volatile economy. The case study approach provided a method for exploring experiences of individuals in their own words and within the context of their own environment (Stake, 2010).

I conducted personal, in-depth interviews with 12 selected business owners who were members of the FPANY and had been in business for 5 years or more. I recorded the interviews of the participants and gathered information from business brochures, advertisements, and websites. As suggested by Yin (2003), I selected business owners of both genders who had varied levels of experience from different sized firms because such individuals are likely to provide a source of rich, diverse experiences.

The results of this study may contribute to business practice by providing information to individuals who are considering starting or growing a financial planning firm. The results may assist managers who want to improve recruitment or retention. Findings of this study contribute to social change by assisting policy makers to formulate policies that mitigate small business failure rates and contribute to new job creation and national economic growth.

Role of the Researcher

The focus for this study was to explore and understand success factors that contribute to the survivability of small financial planning businesses. I have directly experienced the phenomena in this study. I entered the financial planning profession in 1993 and began by working for a large financial planning organization. After 3 years, I earned the designation of CFP®. Several years later, I joined a smaller financial planning firm, and, later, when my practice was large enough, I became an independent, self-employed practitioner. In addition to maintaining a financial planning practice, I began teaching undergraduate financial planning courses in 2009. I have been a member of the FPA for 10 years. My experience provided me with insight into the issues that small business owners face when they are embarking on creating a financial planning firm. To mitigate bias, I disclosed any existing relationships that may affect this study's validity.

Many qualitative researchers rely on the interview as a primary technique to collect data (Bluhm, Harman, Lee, & Mitchell, 2011). Interviewing skills are critical for the researcher to develop and employ (Qu & Dumay, 2011). Interviews may be structured, semistructured, or unstructured, depending upon the type of data the researcher intends to gather. Conducting structured interviews includes posing the same questions in the same order, with little or no deviation. Structured interviews may minimize or reduce researcher bias, but structured interviews do not allow flexibility and may not capture rich, thick descriptions (Qu & Dumay, 2011). Unstructured interviews provide flexibility but may require prolonged engagement and data may change over time. Semistructured interviews are flexible, accessible, and allow participants to respond in their own words (Qu & Dumay, 2011; Turner, 2010). Semistructured interviews require adequate preparation by the researcher but have the greatest chance for successful quality data capture (Turner, 2010). Therefore, I used semistructured interviews for this study.

I conducted personal interviews with 12 independent financial planning business owners who had been in business for more than 5 years. I also reviewed company websites, social media, organizational brochures, and literature to obtain supporting data. Seeking a variety of participants and a variety of artifacts are forms of triangulation and validation of results (Hancock & Algozzine, 2011). By approaching each interview with an open and receptive mind, I focused on the participants' experiences (Qu & Dumay, 2011). I recorded the interviews for transcription and sent copies to the participants to validate transcription accuracy and meaning. I followed-up with questions whenever necessary to aid clarity. I maintained participants' confidentiality by coding their identities. I also maintained a log with field notes to supplement the interview data.

Participants

The source of participants for my study was the FPA. The FPA is a national group with chapters throughout the United States. Members actively engage in the profession of financial planning. The FPA promulgates the highest ethical standards for it members and is the largest financial planning organization in the country. I have been a member of the FPA since 2003 and an active participant in the New York chapter since 2009. The New York chapter enjoys a diverse membership and includes a large number of independent financial planners who been practicing financial planning for at least 5 years.

As an active member of the FPANY, I have become acquainted with many members, but I have no outside, professional relationships with other members. My sampling was purposive (Marshall & Rossman, 2006). I conducted in-depth interviews with financial planners who were business owners who had maintained a financial planning practice for more than 5 years. I explored their decision process to eschew employment in favor of independent self-employment, along with success techniques to maintain their businesses.

I sought participants by making announcements at monthly meetings inviting members to participate (see Appendix A). Following guidelines suggested by Guest, Bunch, and Johnson (2006), I used snowball techniques to obtain a minimum sample of 12 participants. Although no prescribed formula exists for sample size in case studies, the number of participants relates to the richness of opinions and different representations of an issue (Kaczynski, Salmona, & Smith, 2014; O'Reilly & Parker, 2012). Data saturation occurred with 12 participants (Yin, 2013).

I obtained approval from the Walden Institutional Review Board (IRB) prior to initial contact with participants (IRB 2015.01.26 11:23:38-06'00'). Upon initial contact, I explained the purpose of the project and the procedures and forwarded a consent form (see Appendix B) to each participant. The consent form included a statement that participation was voluntary and confidential. Prior to each interview, I provided participants with a copy of their signed consent form. I will maintain all forms and interview data in a locked and secure file for a period of 5 years.

Research Method and Design

Research is a process for generating knowledge (Petty, Thomson, & Stew, 2012a). Two broad categories describe the common approaches to research: quantitative and qualitative. Quantitative researchers analyze numerical data to examine relationships or causes and effects (Petty et al., 2012a). The framework for quantitative studies is probabilistic; the focus is on statistical models, central tendency, and variation (Trotter, 2012). Qualitative researchers focus on textual data to understand the meanings and interpretations of experiences (Petty et al., 2012a). The logic in qualitative studies is inductive rather than probabilistic (Trotter, 2012). While the number of small businesses provides an indication of the scope and importance of this sector to the economy, I was not seeking to define a correlation or examine differences among variables (Denzin & Lincoln, 2008). Rather, my intent was to gain an in-depth understanding of how and why independent business owners of financial planning firms managed to maintain their businesses despite economic downturns. A quantitative approach was not appropriate because such an approach would not provide an understanding of the business owners' motivations and strategies.

For this study, I used a qualitative design to identify and explore the skills and training that individuals had when they embarked to create their business (Stake, 2010). Using a qualitative method enabled me to gain an understanding of how the business owners maintained their businesses for 5 years or more. Using a case study design permitted me to use multiple sources of data such as interviews, business brochures, and websites, to try to explain how the outcomes came about (Yin, 2013).

Research Method

The research question determines the method (Yin, 2003). Historically, quantitative studies were the only studies considered as legitimate research. This viewpoint reflected a positivist philosophy and regarded reality as outside the observer (Petty et al., 2012a). The logic employed in quantitative studies is deductive, and sampling is random. Researchers define variables a priori as measurable entities, and studies take place in a controlled environment with the goal of finding associations or correlations between the variables (Petty et al., 2012a). Results are valid only if experiments are repeatable; the researcher's role is objective and transparent (Denzin & Lincoln, 2008). In contrast, qualitative researchers examine phenomena with the goal of describing or understanding the event, process, or individuals. The underlying philosophy is interpretism; the researcher is an integral part of the process, and studies take place in the participants' natural environment (Bluhm et al., 2011). Results may not be generalizable but may contribute to an understanding of the phenomena (Kisely &

Kendall, 2011). Mixed methods reflect a combination of qualitative and quantitative approaches. In mixed methods, researchers undertake qualitative studies in conjunction with quantitative studies to provide the benefits of both approaches in one design (Kaczynski et al., 2014).

I selected the qualitative method for this study. The qualitative method allowed me to take a holistic approach to the complex problem under study. I was not seeking to develop a formula or derive a theory to explain how small business owners of financial planning firms succeeded in growing their firms beyond a 5-year period. Instead, I explored the success factors and strategies the owners used and allowed them to describe their experiences in their own words. Because I did not select a quantitative study, a mixed methods approach was not appropriate.

Research Design

Authors differ regarding the question of what constitutes a comprehensive list of research designs in qualitative studies. Most methodologists (Denzin & Lincoln, 2008; Marshall & Rossman, 2006) have included the following: (a) case study, (b) grounded theory, (c) narrative, (d) ethnography, and (e) phenomenology. I examined these designs to determine the best approach for studying success strategies of business owners of small, independent financial planning firms in the New York City area that have been in business for at least 5 years and have achieved profitability by that time.

In grounded theory research, the purpose is to develop or prove a theory (Bluhm et al., 2011). A researcher carefully collects and analyzes data, grounding the research inquiry. Field notes, phrases, and detailed explanations form the basis for the construction of an integrated theory. Grounded theorists emphasize the importance of processes, social structure, and context in the theory formation (Kisely & Kendall, 2011). Grounded theory was not suitable for this project because the intent of this study was to explore the experiences of a group of business owners. The goal was to understand the obstacles they faced and explore strategies they used to overcome the obstacles. There was no intention to establish a theory or confirm a hypothesis. For these reasons, I did not select grounded theory as the research design.

Narrative research includes an historic view of an event or person and may extend over a period of years. The purpose is to report stories or experiences that reflect a philosophical viewpoint or social processes (Denzin & Lincoln, 2008). My objective for this study was to explore experiences and perceptions of many individuals who had different experiences. Narrative research was not suitable for this purpose.

Ethnographers look for evidence-based social movement (Denzin & Lincoln, 2008). Ethnography involves sociological dimensions with a focus on producing a theoretical vision. This research design would be appropriate if the purpose of this study had been to establish a cultural basis for financial planning (Marshall & Rossman, 2006). Establishing a cultural basis was not my intent for this study. Instead, my intent was to explore the experiences of business owners of financial planning firms to understand obstacles they had to overcome and strategies they used to do so. Consequently, ethnography was not appropriate for this study.

Phenomenology is a type of inquiry based on Husserl's philosophy of intentionality and epoche (Moustakas, 1994). A researcher must be as free as possible from preconceptions, approaching the study objectively, describing the phenomenon in rich, thick terms. The process of discovering the meanings and essences becomes the source of knowledge (Applebaum, 2012; Phillips-Pula, Strunk, & Pickler, 2011). In phenomenological studies, the analyst presents the integration of themes, reflecting the essence of the phenomenon. My intention was to explore how successful small business owners succeeded and what strategies they used. Phenomenologists rely mainly on interviews, but I used multiple types of data sources. Consequently, phenomenology was not the approach I selected for this project.

A case study approach is appropriate for research questions that focus on what happened or why something happened (Stake, 2010; Yin, 2003). An example of this was a study by Demmer, Vickery, and Calantone (2011). Demmer et al. (2011) applied an exploratory case study approach to determine how the owners reinvented the company over time, including a decade of intense competition and economic hardship. Demmer et al. illustrated how the antecedents to resilience involved executive management and organizational activities. The drivers of resilience they described may provide a model that applies to the small businesses, in particular, the financial planning firms in this proposed study.

In another example, Aramand and Valliere (2012) conducted three case studies of small software firms. Aramand and Valliere’s objective was to study the relationship between entrepreneurial capabilities and dynamic capabilities. The case study design allowed the researchers to examine this relationship within its real-life context. The ability to use real-life settings was important because there was no clear definition between the boundaries of the phenomenon and the context (Yin, 2003). Aramand and Valliere's case findings showed similarities in the three cases and supported a bidirectional relationship between entrepreneurial capabilities and dynamic capabilities. Changes in the environment, such as economic volatility, provide opportunities for small business owners if they have the entrepreneurial capability to recognize and act on them.

Case study researchers seek to provide an in-depth view of a particular situation or event. The case study design may begin with a theoretical perspective, or a theory may develop during data collection. Data analysis and data collection may occur simultaneously and may contribute to theory development (Stake, 2010; Yin, 2003). This method was suitable for analyzing the experiences of business owners of small financial planning firms who have maintained their business for 5 years or more. In this study, I focused on the training and skills the business owners needed or found they had to master for their business to succeed and grow. For these reasons, I selected the case study as the design for this research project.

Population and Sampling

Many sampling techniques used in research studies. Quantitative studies typically require random sampling. Quantitative studies require selection of probabilistic samples from a population. The researcher's goal is to generalize from the sample and create or verify hypotheses. For the quantitative researcher, defining the sample size is critical for achieving statistical relevance and transferability (O'Reilly & Parker, 2013).

In qualitative inquiry, the issue of sampling is contentious. Qualitative methods use inductive logic, and adequate sampling, as defined by the number of participants, does not determine the quality of the research (O'Reilly & Parker, 2013). Qualitative researchers seek to understand complex social issues and individual experiences. Researchers explore data to understand phenomena in situations where no generalizable theory may exist (Graebner, Martin, & Roundy, 2012; Trotter, 2012). Consequently, qualitative researchers use data or theme saturation to determine the quality of the research (Guest et al., 2006; O'Reilly & Parker, 2013; Yin, 2013). Randomness does not generally benefit qualitative studies because researchers do not seek samples randomly distributed over the population. Instead, qualitative researchers purposefully seek subjects who provide rich, thick descriptions of experiences that may be unique (Moustakas, 1994; O'Reilly & Parker, 2013; Suri, 2011). In all studies, the research question determines the research design and subsequent sampling strategy (Marshall & Rossman, 2006). The intent for this exploratory case study was to understand the training and skills that small business owners of financial planning firms had that contributed to their success. Because small business failure rates in the United States are high (SBA, 2014) and these business owners maintained their firms despite the financial crises of the first decade of this century, my goal is to explore the success strategies of these owners. The sampling technique that is most relevant to this intent was purposive sampling (Suri, 2011). Purposive sampling involves selecting participants who can provide rich, practical knowledge of the phenomenon in question (Marshall & Rossman, 2006). Sample size in qualitative studies is not a fixed number; rather, it is the main issue to determine sample size is data or theme sufficiency (Suri, 2011).

Guest et al. (2006) performed a study to determine if they could predict the numbers of interviews required for saturation. The researchers interviewed participants and developed a codebook of themes. The researchers recorded how often they had to make changes to the codebook, and, surprisingly, found that 73% of codes were accurate after only six interviews, and 92% of codes were accurate after the first 12 interviews (Guest et al., 2006). They concluded that interviews require at least some structure to reach saturation, and that unstructured interviews may never converge (Guest et al., 2006).

Data and theme saturation may depend upon the knowledge and experience of the participants (Marshall & Rossman, 2006). For example, if many participants share the same experience, the researcher needs fewer participants to arrive at an understanding of the essence of the experience, but complex themes require more data than simpler themes. Francis et al. (2010) proposed the researcher should determine an initial minimum sample size and specify stopping criteria. In other words, once the minimum number of interviews has occurred, the researcher will continue until a certain number of interviews provide no new ideas. For this study, I interviewed 12 small business owners who established and maintained a financial planning firm for 5 years or more and achieved profitability. I achieved data saturation with the sample size of 12, when I found that three participants' responses were duplicative and added no significant new information.

I conducted the interviews in person at the participant's selected place of business recording each conversation, which extended from 45 to 60 minutes. After the interview, I transcribed the conversation and sent the transcription to the participant for member checking to verify transcription accuracy and meaning (Stake, 2010). During each interview, I focused on the questions, refraining from interjecting personal comments. I analyzed the data with the help of NVivo10 (QSR International, 2010) computer software. I reviewed organizational brochures and literature as well as company websites, and company newsletters.

Ethical Research

Walden University's Institutional Review Board (IRB) procedures were the guidelines for this study. I used a well-defined, ethical approach, upholding the rights and confidentiality of the participants at all times. Receipt of IRB approval initiated the project.

In accordance with IRB procedures, I sent each participant an informed consent form (see Appendix B) identifying (a) the nature and purpose of the study, (b) my responsibilities, (c) confidentiality procedures, and (d) the participant's role. I included clear statements on the consent form indicating that there was no compensation for participating, and participants were free to withdraw from the study at any time. The participants' signatures indicated their willingness to participate and consent to my recording the conversation. I scheduled the interviews after I received the completed form. I coded identities to protect privacy, and I stored all consent forms, transcripts, artifacts, and field notes in a locked filing cabinet where they will remain for a period of 5 years. After that time, I will destroy the data by shredding all papers and deleting electronic files.

Data Collection Instruments

In qualitative studies, the researcher plays a pivotal role in data collection and interview protocols and observation logs are supplemental tools (Denzin & Lincoln, 2008). Data collection sources include (a) interviews, (b) focus groups, (c) documents, (d) observations, (e) videos, (f) existing documents, and (g) artifacts (Boblin, Ireland, Kirkpatrick, & Robertson, 2013). Case study researchers commonly use interviewing for data collection (Hancock & Algozzine, 2011). In-depth interviewing allows participants to provide answers to the research questions in their own words.

The study's purpose determines the type of interviewing selected: (a) structured, (b) semistructured, or (c) unstructured. Qu and Dumay (2011) noted that the neopositivist views the research interview as a tool to collect objective data in a search for truth with little or no deviation from the script. Such an approach requires structured interviews. I achieved the goal of recording rich, thick descriptions in the participants' own words. I did not use structured interviews.

Some researchers view the interview as a social encounter in which the interviewee reveals innermost thoughts and feelings after establishing rapport with the investigator (Qu & Dumay, 2011; Turner, 2010). The unstructured interview might not have converged within the time constraints of my project. Consequently, I did not employ unstructured interviews as the data collection tool; rather, I used semistructured interviews in this study.

Interviewers use written guides to help them elicit in-depth responses from the participants in their own terms (Turner, 2010; Qu & Dumay, 2011). Using interview guides is a technique that provides flexibility, but interviewing requires care and planning regarding the way a researcher asks and interprets the questions (Hancock & Algozzine, 2011). Most questions in semistructured interviews are open-ended, and the interviewer uses follow-up questions to probe participants' responses. Rich, thick descriptions reduce researcher biases and provide the investigator with the means for discovering the in-depth experiences (Turner, 2010).

Several examples of how researchers used semistructured interviews in case studies illustrate the effective use of this technique in studies similar to mine. For example, Cronin-Gilmore (2012) conducted an exploratory case study of 20 small business owners, selecting participants by employing a purposive, snowball technique. Cronin-Gilmore conducted telephone interviews with the participants regarding their background and skills, resulting in participants' rankings and concerns affecting business growth. In another case study, Lai and Chang (2013) used mystery shoppers to evaluate the customer experience and quality of service in Chinese restaurants. Lai and Chang interviewed mystery shoppers and used secondary data sources, including newspaper reports, feature stories in magazines, videos, and news stories about the restaurants. These case studies illustrated the effective use of qualitative case studies using semistructured interviews to arrive at meaningful results for small businesses.

I used semistructured, in-depth, personal interviews as the principal data collection tool in this study. I obtained a signed consent form (see Appendix B) from each participant before I began the interview. The interview questions were open-ended and related to the research questions regarding the participants' skills and preparation concerning the creation and maintenance of their small financial planning business. The questions elicited descriptions of the business owner's experiences and success strategies for maintaining their business for more than 5 years. The *interview guide* was researcher-developed. I have included the questions in Section 1 and the interview guide in Appendix C. The guide allowed participants to share their experiences freely and in their own words (Qu & Dumay, 2011; Turner, 2010). I obtained rich, thick descriptions, asking the same sequence of questions of each interviewee in the same order. I posed follow-up questions as needed to expand or clarify a participant's response. The topics included information about the firm itself along with incidents and people connected with the owner's career, and significant influences or changes that occurred.

I recorded the interviews on a portable digital recorder and later copied the files onto a computer system. I transcribed the interviews and stored them electronically in word processing format on a secure computer hard drive to analyze the information and discover the themes. I copied the transcriptions to a removable flash drive for backup, and I will store the backup flash drive in a locked file for 5 years. I used passwords to secure all electronic files.

Data Collection Technique

For this proposed study, I used an interview guide (see Appendix C) to conduct personal interviews with 12 small business owners of independent financial planning firms who had been in business for 5 years or more (Hancock & Algozzine, 2011). I obtained a signed consent form (see Appendix B) from each participant prior to conducting the interview at the participant's place of business. I documented impressions with comments in field notes, collected brochures, advertisements, and business literature, and explored company websites. These sources of information provided descriptions of services and fee structures to supplement and verify interview data (Guest et al., 2006).

Upon initial contact with the participant, I greeted the business owner in a warm, friendly manner, restating the purpose and potential benefits of the study. I had a notepad with the interview questions in front of me, and I affirmed the participant's permission to record the interview using a portable, digital recorder before proceeding. When the interview was complete, I transcribed the conversation and sent a copy to the participant, asking for verification of the transcript accuracy and meaning (Goldblatt, Karnieli-Miller, & Neumann, 2011). I will store copies of the transcripts along with the verifications in a coded file to ensure confidentiality. I refrained from using participants' names on the documents to protect their privacy.

Data Organization Technique

I created a file for each participant to store the consent form and interview transcriptions, along with business brochures and other artifacts (Bluhm et al., 2011; Kaczynski et al., 2014). I coded each file (P1, P2 . . .) to protect the privacy of the participants, as well as field notes and reflections (Barratt, Choi, & Li, 2011). I stored raw data on a secure computer drive with a copy on a portable flash drive to serve as backup. After the study was completed, I erased the files from the computer, and stored the backup device and all raw data in a locked file. After 5 years, I will shred all paper documents and erase all electronic storage devices.

Data Analysis

The research question guiding this study was: What are the success factors and strategies business owners of independent financial planning firms use to maintain their business beyond 5 years? I conducted in-depth, semistructured interviews with business owners, using the following questions as a guide.

The first few questions pertained to the structure of the firm. These questions qualify the business for inclusion in this study. The criteria for inclusion are that firms must be in business for 5 years or longer, have fewer than 50 employees, and revenues are less than $35.5 million. These questions were as follows:

- How long has your firm been in the financial planning business?
- What products or services does your firm provide?
- Are your firm's revenues less than $35.5 million?
- Has your firm achieved profitability within the last 5 years?
- How many employees are in your firm, including yourself?

The next questions pertained to the business owner's preparedness to start and grow a business. These questions related to the specific business problem under study. These questions were as follows:

- Please describe when and how you decided to start your own business.
- Please describe your education, training, and skills that enabled you to maintain profitability.

The following question related to differentiation and focus of the business, two success factors suggested by Porter (1980, 2008).

- How do you differentiate your firm from your competitors?

The following questions pertained to changes in the industry, and strategies the owner uses to maintain the business. These questions included the following:

- Please describe strategies you use to maintain your business.
- How do you perceive the effectiveness of activities such as networking regarding business success?
- How do you perceive the value of social media or the use of a company website?

Questions about business owners' thoughts and feelings about their experiences may reveal information that other individuals find valuable. The following questions permitted the business owners to reflect about their experiences, responding in their own words.

- What advice would you give another planner who was considering embarking on opening a small business? What skills or specific training would you recommend?
- What else, if anything, would you like to add to our conversation about your business?

As I completed each interview, I transcribed it, coding the identity of the participant, and stored the transcript in an electronic database. I sent a copy of the transcription to the interviewee, asking for verification of the meaning. These procedures ensured the validity of the data and helped to identify and mitigate any researcher biases.

I did not attempt to develop themes a priori; rather, I allowed themes to emerge from the interview data (Stake, 2010). I used NVivo10 software as a tool to facilitate coding the responses. I used an inductive, iterative process on each interview to produce categories for information analysis by partitioning statements into units, grouping the units into subcategories, and analyzing and summarizing the common headings into categories (Hancock & Algozzine, 2011). This procedure helped to identify common themes and differences among the participants (Hancock & Algozzine, 2011).

The results of this study include the critical success factors and strategies the small business owners used to differentiate their businesses. In addition, the findings include how the owners prepared for business startup, and what special skills or training helped the owners maintain their businesses during periods of economic volatility. I provided a summary of the findings to the participants who expressed an interest in the results.

Reliability and Validity

Traditionalists associate the term reliability in research with quantitative studies. Quantitative researchers view reality as objective and measurable; they focus on finding correlations and associations among variables (Petty et al., 2012a). In quantitative studies, reliability implies the ability of researchers to duplicate the study under similar circumstances, and the researchers' ability to develop the same or similar findings and conclusions (Petty et al., 2012a). Quantitative researchers view repeatability as critical in establishing rigor (Denzin & Lincoln, 2008).

However, qualitative research is a complex process in which the researcher studies phenomena in their natural settings, and attempts to interpret the phenomena regarding the meanings people bring to them (Denzin & Lincoln, 2008). The basic concepts of reality differ from those expressed by quantitative researchers; consequently, reliability and validity take on meanings that differ from the context of quantitative studies. The qualitative researcher believes that objective reality does not exist; reality is subjective, and individuals know reality through its representation (Denzin & Lincoln, 2008). Hanson, Balmer, and Giardino (2011) noted that when looking through a qualitative lens, researchers seek trustworthiness, which includes: (a) dependability (which relates to reliability), (b) credibility (which relates to internal validity), (c) transferability (which relates to external validity), and (d) confirmability (which relates to objectivity).

Reliability

Qualitative researchers establish dependability by stating a clear definition of the unit of analysis and developing detailed procedures, including audit trails (Barratt et al., 2011). Qualitative researchers need to provide a chain of evidence including memos and field notes (Sinkovics & Alfoldi, 2012; Yin, 2003). I rigorously documented all procedures, including sampling and analysis, and followed the same steps with all participants. Well documented, systematic procedures create audit trails that lend authenticity and reliability to the research (Applebaum, 2012).

Validity

To establish credibility, qualitative researchers may collect data from more than one source or researchers may use more than one collection method (triangulation) (Hanson et al., 2011). The researcher adds credibility by providing detailed evidence or by using prolonged observation in the field. Researchers who are skilled in interviewing techniques and who ask questions in an organized fashion can elicit deep insights from the participants, increasing the credibility of the study (Hanson et al., 2011). In this study, I collected data from many business owners including those who have been in business for different lengths of time and those using different numbers of employees. I adhered to the interview guide so that I did not inadvertently omit important topics, and documented field notes regarding business location, ambiance, and general impressions to substantiate my procedures and findings.

Qualitative researchers recognize their own experiences may influence their interpretation of data (Petty et al., 2012b). One commonly accepted method for verifying interview data is to present the interviewee with a transcription of the interview, asking the participant to verify the contents as an accurate representation of their views. This process is *member-checking*, and, in addition to the initial interview transcription, the process includes a participant review of the final analysis to validate the researcher's interpretations of the data (Goldblatt et al., 2011). In this study, I provided each interviewee with a copy of their transcribed interview, asking them to review the contents for accuracy and validity. I provided the participants with a summary of the results of the study.

Complete generalizability or transferability of the study to other settings may not be possible because of the contextual nature of qualitative research. Instead, readers may assess the methods and the results to determine the applicability to other situations. Carefully documented procedures enable others to determine the whether the study will apply to other individuals or other settings (Hancock & Algozzine, 2011; Hanson et al., 2011). During this study, I adhered to rigorous procedures for documenting data collection and analysis. By providing copies of the interview guide (see Appendix C) and consent form (see Appendix B) along with a description of the steps taken to transcribe and verify data, I established confirmability of the research.

Transition and Summary

Many individuals embark on starting their own business with little or no preparation in business creation of management (Bauer, 2011; Elmuti et al., 2012). Statistics show that failure is common for small businesses with fewer than 50% surviving 5 years or more (SBA, 2014). The literature includes little about small business owners of financial planning firms. Understanding owners' experiences may provide an understanding of the factors that contributed to their success. In this study, I conducted in-depth interviews with12 business owners of financial planning firms in the New York City area who had been in business for 5 years or more and achieved profitability. The findings may provide insight for others who are considering starting a business so they can understand how the participants achieved profitability during volatile economic periods. Factors that contribute to the success of small business owners may have positive effects on others in the community who are seeking financial advice and may contribute to the economy, as well. Section 3 includes the detailed procedures and findings, along with a discussion of the applications to improve business practices and potential for social change.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose for this qualitative case study was to explore the success factors and strategies of small business owners of independent financial planning firms who achieved profitability and had been in business for more than 5 years. The population included members of the FPANY. The participants had financial planning businesses within the New York metropolitan area for 5 years or more and were profitable.

Small businesses in the United States fail at an alarming rate (Solomon et al., 2013). The SBA reports that 20% of small firms fail within the first 2 years, and 50% fail within 5 years (Cader & Leatherman, 2011; SBA, 2014). The participants in this study defied those statistics and started or grew their businesses despite volatile economic times. They shared their preparation for business startup and the education, skills, and strategies that contributed to their success. Their experiences provide information to individuals who are considering starting a financial planning firm. The results may assist managers who want to improve recruitment or retention of financial planners. The findings of this study may also contribute to social change by assisting policy makers in formulating policies that mitigate small business failure rates to contribute to new job creation and national economic growth.

Presentation of the Findings

The primary research question that guided this study was as follows: What are the success factors and strategies of independent financial planning small business owners who have achieved profitability and have been in business for more than 5 years? I conducted personal, semistructured interviews with 12 small business owners of financial planning firms and examined artifacts such as client newsletters and websites. The participants included seven women and five men. All businesses existed for more than 5 years and the number of employees ranged from one to five. The firms met the criteria for defining a small business according to the SBA; that is, firm revenues were less than $35.5 million, and the number of employees was less than 50.

A literature review of peer-reviewed studies yielded a basis for theoretical propositions relating to the primary research question. Following an approach described by Yin (2014), I developed a list of interview questions based on the theoretical propositions. Table 2 shows the questions and corresponding themes. When the interviews were complete, I coded them following procedures described by Chenail (2012), Smith and Firth (2011), and Yin (2014). I replaced participant names with P1, P2, . . . P12. With the assistance of NVivo10 software, I identified recurring words and phrases and then recorded common themes. Table 2 includes the recurring themes.

Table 2

Interview Questions, Theoretical Proposition, and Coded Themes

#	Participant question	Theoretical proposition	Rationale/coded theme
1.	How long has your firm been in the financial planning business?	Small business survival rates (SBA)	None. Used for qualifying business for study. Data ranged from 6 years to 30 years.
2.	What products or services does your firm provide?	Financial planning firms only	None. Used for qualifying business for study. Financial planning, assets under management.
3.	Are your firm's revenues less than $35.5 million per year?	SBA definition of small business	None. Used for qualifying business for study. Yes or no.
4.	Has your firm achieved profitability within the last 5 years?	Small business survival rates (SBA)	None. Used for qualifying business for study. Yes or no.
5.	How many employees are in your firm, including yourself?	SBA definition of small business	None. Used for qualifying business for study. Data ranged from one to five employees.
6.	Please describe when and how you decided to start your own business.	Entrepreneurial characteristics and motivation	Desire for independence, job/career change, desire to help people, obtained CFP®
7.	Please describe your education, training, and skills that enabled you to maintain profitability.	Specific business skills needed or acquired	CFP® Training, work experience, personal communication skills
8.	How do you differentiate your firm from your competitors?	Business differentiation characteristics	Fee structure, guidance only, customized service

table continues

#	Participant question	Theoretical proposition	Rationale/coded theme
9.	Please describe strategies you use to maintain your business .	Growth and survival strategies	Referrals, client newsletter, miscellaneous, no strategy
10.	How do you perceive the effectiveness of activities such as networking regarding business success?	Use of networking	Important for growth, important but not doing it, not a primary source
11.	How do you perceive the value of social media or the use of a company website?	Use of social media	Website use LinkedIn/Facebook
12.	What advice would you give another financial planner who was considering embarking on opening a small business? What skills or specific training would you recommend?	Advice to others	Credentials, business/marketing plan, experience, personal characteristics, cash reserve
13.	What else, if anything, would you like to add to our conversation about the success factors and strategies related to your business' survival during the first 5 years?	Other insights	Take care of clients/add value, have a game plan, be flexible, be true to self, have heart

In summary, several themes permeated the coded responses. Three-fourths of the participants stated a desire for independence was their primary motivation for starting a business. All participants believed professional credentials, specifically CFP®, to be essential for success. Surprisingly, not all participants developed a business plan prior to business startup, but many expressed the need for a marketing plan for business expansion. Strategies for differentiation included customized services, fee structures, and market focus; maintaining the business depended largely on relationship skills and referrals. Some participants viewed networking as important while others did not. The participants regarded developing a website as important, but few used social media sites such as LinkedIn® and Facebook®. Although several of the participants mentioned the need for a cash reserve, none of the participants mentioned financial rewards as a primary driver for business startup or as a measure of success. All participants expressed a passion for their work and found satisfaction when they helped clients.

Theme 1: Motivation for Starting a Business

A common popular belief is that individuals start businesses because of a desire for financial rewards (Carter, 2011), but the majority (75%) of the participants in this study stated that they started their business primarily because they wanted to be independent. This finding aligns with studies by Carter (2011) and Caliendo and Kritikos (2012) who found that self-employed individuals sought psychic rewards and were even willing to trade autonomy for financial rewards. Additionally, many of the participants revealed that they chose the field of financial planning because they found satisfaction when they helped others. Others entered financial planning and subsequently started a business because they found themselves at a turning point in their career, or their current mode of employment had ended.

P4 explained, “Part of it is a matter of need. I view myself unemployable. I’ve been a partner in several . . . firms and I really love and thrive on doing my own thing.” P5 stated, “It was an easy decision in the sense that there was not a single firm that I could find that I would want to work for because I’m very particular in how I think a financial planning firm should be run . . . I couldn’t find all those things.” Table 3 includes the participants’ motivations for starting their businesses.

Table 3

Motivation to Start a Business

Thematic categories	# of participants to offer this perception	% of participants to offer this perception
Need for independence	9	75%
Desire/need for career change	7	58%
Desire to help others	7	58%

Theme 2: Education, Training, and Skills Needed or Acquired

When the participants in this study discussed the education, training, and skills they needed or acquired when starting their businesses, they emphasized the need for technical training, marketing, and communication skills. All 12 of the interviewees stated that they obtained CFP® certification prior to starting their business. In addition to obtaining CFP® certification, all participants had undergraduate degrees, and four had advanced degrees. The participants were unanimous in the belief that credentials and training were prerequisites for success. P4 expressed, “. . . you need a CFP®. I think that’s a sine qua non. I think it's really the gold standard in terms of financial planning at this stage." This finding aligned with studies showing there is a strong positive relationship between human capital and business success (Block et al., 2013; Unger et al., 2011).

Few of the participants had initial training in business operations and marketing. All 12 participants acquired this knowledge by working in the financial services field prior to starting a business. The business owners found that work experience helped to fill the gap in their training. As P3 stated, "The only thing they do not teach you in financial planning is marketing." This finding aligns with those of Aldrich and Yang (2013) who concluded that working as an employee could provide individuals with specific habits and routines that could prove valuable, and previous experience was an important factor in entrepreneurial success.

One participant had developed a strategic plan prior to starting the business, and three participants stated they had developed a one-page, cash flow summary. Most of the interviewees relied on prior work experience and strong communication skills, developing their business skills by self-study, or, as P3 stated, "I evolved by trial and error." Reading, self-study, and getting advice from other professionals appeared to be the primary methods for many of these entrepreneurs.

Few businesses' owners will succeed without sufficient financial capital. The participants approached the problem of funding business startup in a variety of ways. All had prior related business experience, and all had acquired credentials prior to startup. Some prepared for startup by establishing a client base while working at another job. Several stressed the need for a cash reserve large enough to cover the first few years. All participants mentioned the need for resilience and perseverance, especially in the beginning when revenues are likely to be small. Most of the participants shared offices with other businesses; two participants used a home office. These findings support those of Ayala and Manzano (2014) who found that entrepreneurial resourcefulness was critical for survival. Table 4 includes a summary of the participants' backgrounds, education, training, and skills.

Table 4

Education, Training, and Skills Needed

Thematic categories	# of participants to offer this perception	% of participants to offer this perception
Professional certification required	12	100%
Related work experience recommended	12	100%
Resilience/perseverance	12	100%
Marketing skills necessary	8	67%
Strong communication skills needed	7	58%
Developed business plan prior to business startup	4	33%
Need sufficient cash reserve	3	25%

Porter (1980, 2008) described five forces that business owners need to evaluate to succeed: (a) entry barriers, (b) supplier power, (c) buyer power, (d) the threat of substitutes, and (e) competitive rivalry. The financial planning industry has few barriers to entry. As the participants in this study noted, those who start financial planning businesses need strong technical training and business acumen coupled with a sufficient cash reserve to withstand the early years when revenues may be low. None of the participants cited supplier power, the threat of substitutes, or competitors as significant forces upon startup. To attract clients, the business owners positioned themselves in the industry as specialists with unique skills and services. This strategy aligns with Porter's (1991, 2008) recommendations that business owners need to develop strategies to overcome the five forces. The business owners found ways to differentiate their practices.

Theme 3: Differentiation as a Key to Business Survival

A business owner may start out with a high level of skills and favorable conditions, but skills alone may not be enough to ensure success (Porter, 1991). Porter (1980) advised that firms' owners could overcome competitive forces by the use of three broad strategies: (a) cost leadership, (b) differentiation, (c) focus, or a combination of these. The business owners in this study used all three of these strategies to some degree.

To distinguish themselves from other professionals, all participants in this study emphasized client service. All business owners stated their uniqueness lay in their high level of service or the way they delivered their services to clients. The interviewees stressed having close client relationships. P(4) explained, "I think the primary difference . . . is the level of service. . . . Bottom-line, we think the firm provides very comprehensive and unique solutions for our clients." P9 stated, ". . . I am primarily a financial planner, not an asset gatherer." P2 explained, "I manage no assets, make no commissions, and sell no products. . . . I provide guidance. . . . I have no conflicts of interest."

In addition, all 12 interviewees were careful to express concern about adding value to clients' lives. They tailored fees to client situations and provided fee estimates before beginning a client engagement, ensuring that clients perceived value. Some focused on keeping fees low. For example, P1 explained, "One of my top priorities going into this was to keep my fees low . . . what I see is the fees on top of fees, and that has always bothered me."

Another area that business owners used to differentiate themselves from their competitors was by focusing on a specific area of expertise, group, or type of client. For example, P1 specialized in providing advice to individuals about healthcare needs in retirement, while P5 focused on individuals with a minimum of $3.5 million in investable assets. P6 focused on individuals in the construction business, while P7 specialized in life planning and individuals who were in a state of transition. P9 focused on helping young professionals, while P10 specialized in providing advice on insurance and employee benefits. P12 specialized in providing tax and insurance services. P8 stressed her individual uniqueness, stating that she used her female gender as a differentiating factor, "Some people, some parts of the public, see that as equating to more trustworthiness and more conscientiousness and more communicable." The differentiation strategies the business owners used are included in Table 5.

Table 5

Differentiation Strategies

Thematic categories	# of participants to offer this perception	% of participants to offer this perception
Unique fee structure	12	100%
Customized service	12	100%
Market niche	8	67%

Each business owner expressed awareness of the need for differentiation, and the ongoing challenges it presents. Regarding differentiation, P6 stated, “That’s the big question! . . . In business, that’s the biggest thing you do.” P11 admitted, “This is probably the most difficult question to answer honestly.” P12 summarized, “. . . I think because we are a small boutique firm, we do a lot of handholding. It’s a very personalized service, and many people do that as well, but that’s what we pride ourselves on - going that extra mile.”

Theme 4: Strategies Used to Maintain the Business

Relationship management in the financial services industry is a fundamental component in company survival (Bazini, Elmazi, & Sinanaj, 2012). The business owners in this study mentioned unique customer service and consistently delivering what they promised (Miles, 2013). The owners created customer loyalty with resulting high client retention rates.

Half of the business owners in this study mentioned referrals as their primary source for new business. Referrals came from existing clients and from organizational websites such as the FPA and CFP® websites. Building strong, trusting relationships with clients was important and resulted in high client satisfaction and retention. P4 stated, "Our best source of business is our existing clientele." P10 attested, "My business is purely referral . . . I get all my referrals from clients." P11 added, "As far as new clients, a good amount of our new clients come as referrals from our existing clients." These findings are in alignment with results found by Hunt et al. (2011), whose studies reflected the important role that relationship building plays in a financial planning engagement.

Relationship building activities included regular communication with clients through emails, newsletters, and periodic meetings. P3 stressed, "Communication. Constant communication with my clients." Table 6 includes a summary of the methods the participants mentioned for growing their businesses.

Table 6

Strategies to Maintain Business

Thematic categories	# of participants to offer this perception	% of participants to offer this perception
Excellent customer service	12	100%
Referrals	6	50%
Regular communication with clients	3	25%
Newsletter	2	17%
Publish articles	2	17%

Differentiation through service is a strategy that reportedly worked well for the participants. Good relationship skills were important to growing their businesses. These findings are in alignment with Porter's recommendations that business owners must provide a unique value proposition for their businesses to survive.

Theme 5: Networking

Researchers have increasingly cited networking as important for small business success. For example, Anderson et al. (2010) associated networking with five activities spanning specific entrepreneurial practices: (a) liberating, (b) inspiring, (c) visioning, (d) articulating, and (e) implementing. These processes may facilitate company growth at various states of the organizational life cycle. In particular, entrepreneurs may engage in conversations with others who inspire them. Business owners may augment their competitive positioning by articulating services to clients that satisfy client needs. Networks may be a source for finding strategic alliances that sponsor growth and improve effectiveness (Anderson et al., 2010).

While eight participants saw networking as a critical or important for business growth, four did not. P1 confessed, "I've never been a big fan of networking, to be honest with you." P10 expressed, "Networking has never worked very well for me." Two participants stated that they thought networking might be helpful although they had not used it. P8 expressed that ". . . people need to learn how to network properly and go to the right networking event, and that's hard to find."

Participants who endorsed networking found that networking filled gaps in marketing or services. P2 stated that networking was the primary source for referrals. P5 stated, "networking with professionals, lawyers, accountants has definitely paid off." And, P9 stated that networking provided a source for additional expertise, when needed:

> . . . as a solo practitioner, it's difficult sometimes, especially if you come up against issues you're not totally comfortable with. . . . the best part about

> networking is the ability to interact with people who are specialists in particular areas. I can have conversations with them, rely on them, and, sometimes, maybe, bring that into a particular planning situation where their expertise is necessary.

These findings are in alignment with studies by O'Donnell (2011) who found that networking played an important role in small business marketing. The majority of the business owners in this study (67%) found networking enhanced their business growth. Networking provided them the opportunity to meet with suppliers to learn about new products, and provided a forum to meet with other financial planners who assisted and inspired them. Networking also helped them understand their position in the industry. . Table 7 summarizes the use of networking reported by the participants.

Table 7

Networking

Thematic categories	# of participants to offer this perception	% of participants to offer this perception
Rated networking as important	8	67%
Did not view networking as an important source for business	4	33%

Theme 6: Social Media

Eleven of the 12 participants had company websites; one had a website planned. All participants viewed websites as necessary for business. As P11 expressed, "I think that anyone today who holds himself out as an advisor or a business person is expected to have a company website at a minimum." P6 described, "I guess I put this into marketing in general . . . You have to be very committed to it." P9 stated, "My website is rather simple . . . it just explains a little bit more about me and my philosophy. . . If you go to my website, you'll get who I am." Only three of the business owners reported using social media sites, such as LinkedIn® or Facebook®. Table 8 includes the summary of these findings.

Table 8

Importance of Social Media

Thematic categories	# of participants to offer this perception	% of participants to offer this perception
Viewed website as important	12	100%
Had a website	11	91%
Used LinkedIn or Facebook	3	25%

The participants viewed their websites as effective and necessary marketing tools. Their websites provided the way the participants presented and characterized themselves and their services to prospective clients. This strategy is in alignment with Porter's (1980; 1991) recommendation that successful business owners need to differentiate themselves from their competitors.

Theme 7: Advice to Others

An important question for the participants was to reflect upon their own experience and provide advice to an individual who might be considering starting a financial planning firm. The participants were generous in the advice they offered. They unanimously recommended obtaining training and credentials, specifically CFP®. They also acknowledged that technical expertise was not sufficient for establishing a successful business. Training in business startup and development with emphasis on marketing was equally important. P4 stated, "The ability to market yourself and your firm is critical to success." P7 added, "You start with a business plan." P 12 proclaimed, "They need to be organized. They need to have a plan . . . It's a business, and you need to have a plan of how to grow and be profitable. It's the single most important thing. "

Eight of the participants recommended internships with other firms, specifically to learn best business practices and to gain experience. P3 expressed, "I think it would be beneficial to work at a larger financial planning firm to understand the different aspects of it right off the bat, because going out on your own is a very onerous responsibility." P4 echoed these sentiments, "The best thing is to learn through a large company . . . and get your training wheels there." P11 reinforced this position, "I would recommend that they work with other advisors first to learn the process, learn the best practices."

Three of the participants acknowledged that there were no guarantees and warned newcomers not to expect success to come quickly. P5 cautioned, "You need to give yourself some time to build your business." P9 added, "The first piece of advice would be to make sure that they have a healthy cash reserve going . . . because I don't think there's any guarantee they will succeed." P10 provided this advice, ". . . be prepared for hills and valleys. They have to have some money in the bank."

The business owners also cited various personality characteristics, habits, and attitudes as important keys to success. P1 advised, "The other advice I would give people is to specialize in something that you're interested in. P7 advised, "Communicate a lot." P6 added, "Make sure you take care of your client." P5 stressed "adding value to clients' lives", and P10 emphasized "flexibility".

Financial planning businesses are centered on satisfying clients' needs. P11 summed it up by saying:

> "I think your relationships are going to be key because this is a business about people. We are not selling shoes. You can hate the salesman, but if you love the shoes, you are going to take the shoes anyway. There are no shoes here. It's all relationships and contacts."

P8 succinctly added, "You gotta have heart." Table 9 includes a summary of advice.

Table 9

Advice to Others

Thematic categories	# of participants to offer this perception	% of participants to offer this perception
Obtain credentials	12	100%
Have a plan	8	67%
Get experience with another firm	8	67%
Learn how to market	7	58%
Take care of your clients	4	33%
Prepare for lean years at start	3	25%

The business owners in this study focused on acquiring clients and fulfilling clients' needs by providing guidance and service. The business owners differentiated themselves from their competitors by their unique services and fee structures. The owners focused on offering specialized expertise or serving a particular market niche, and their experiences reflected the use of Porter's (1980; 1991) recommended strategies.

Applications to Professional Practice

The findings in this study indicated financial planning professionals have a strong need for business and marketing knowledge prior to starting a business. Traditional training in the financial planning field includes technical training in specialized areas such as (a) investments, (b)insurance, (c) retirement, (d) tax, and (e) estate planning as well as in comprehensive financial planning (CFP Board, n.d.). Individuals must pass rigorous tests and fulfill other requirements for licensing, but training in business and marketing is not a requirement. Additional preparation is necessary for a financial planner to succeed. One way to satisfy this need for preparation may be for business managers to provide on-the-job training. For example, the participants in this study strongly recommended that individuals enter the profession by working in a financial planning firm. The interviewees understood the need for financial planners to become fully knowledgeable in business operations prior to branching out on their own. Leaders of professional organizations may also help satisfy this need by facilitating the establishment of apprenticeship programs in existing firms. Academic administrators may assist by facilitating internships and by including appropriate course offerings in their curricula.

The findings in this study corroborated Porter’s (1980) position that to be successful, firm owners need to have a clear understanding of their strengths and place in the industry. Business owners need to combat competition by developing strategies that use (a) cost leadership, (b) differentiation, (c) focus, or a combination of these. To survive, business owners need to provide a unique value proposition (Porter, 1980). The business owners in this study provided individual, customized guidance for clients, offered expertise in specialized areas, and had unique fee structures. Specialization should be encouraged among financial planning professionals. Providing unique expertise within a generalized framework of comprehensive financial planning can attract clients with particular needs and can allow planners to focus efforts in an area that may eclipse competitors.

Corporate managers who employ financial planners benefit from a strategy of specialization as well. Managers may form teams of specialists within their organization to provide clients with a wide variety of expertise from a single source. In addition to increasing client satisfaction, Frey et al. (2013) concluded that increased client satisfaction has a corresponding increase in employee satisfaction, resulting in lower employee turnover.

Individuals desiring to be successful as independent financial planners must be client-centered as well as business-oriented. The ability to attract clients requires good communication skills and relationship management, both of which are the hallmarks of sustainability (Luca & Cazan, 2011; Solomon et al., 2013). How to find clients, how to make presentations, and how to market oneself are prerequisites for success (Mayer-Haug et al., 2013). However, these skills are often overlooked in favor of technical training. The ability to use networking effectively may provide a strong basis for filling gaps in marketing, but individuals may need assistance in learning how to network (Jones & Rowley, 2011). Leaders in professional organizations should offer training in these skills to benefit their members and increase their membership.

Implications for Social Change

Economists and world leaders view the small business sector as the primary source for net new job creation (BLS, 2013). Entrepreneurs play an important role to create, operate, and maintain markets (Gunter, 2012). Creating new ventures and products that add value are critical for economic growth (Arthur & Hisrich, 2011). In the United States, as the economy has begun to grow, there has been a corresponding increase in the need for financial planning firms (First Research, 2014). In particular, these businesses may add jobs to the workforce and subsequently improve the economy.

The findings of this study indicated that business owners of financial planning firms could grow and sustain their businesses when they had the necessary professional training and skills coupled with excellent customer service. Establishing partnerships between professional organizations and educational establishments may result in additional sources for learning practical skills. These partnerships could result in learning opportunities for small business owners to mitigate small business failures.

The CFP Board reported that 28% of American households rely on financial planners for advice (CFP, 2013). Projections are that this need is increasing (BLS, 2013). Individuals who had a trusting relationship with their financial planner indicated they were more enabled to make good financial decisions (Irving, 2012). In addition, financial planning clients engaged in goal setting and accumulated funds to meet their goals (Marsden et al., 2011). The advice and counsel from professionals at financial planning firms contribute to the economic well-being of individuals, helping them to build sound financial futures for themselves and their families. The findings in this study could help meet the increasing need for financial planning firms by providing information about strategies contributing to success of the ventures.

Recommendations for Action

The motivation to start a business may vary by individual, but the findings of this study demonstrated that the financial planning business owners participating in this study had a need for autonomy that surpassed a desire for financial gain. The participants in this study expressed a desire for a career that brought satisfaction and the opportunity to help others. Information about the potential rewards of being a financial planning business owner may be valuable to individuals who are considering starting a business or changing careers. A discussion of the results from this study will be included in the presentations offered by members of professional organizations.

Individuals who succeed in establishing a financial planning business require extensive technical training and credentials. However, the findings from this study suggest that in addition to technical expertise, training in marketing, business operations, and communication skills are prerequisites for success. Individuals who are considering embarking on an entrepreneurial venture should acquire related business skills through work experience or professional training. Leaders of professional organizations should offer training in business skills as well as in technical products. These findings will be topics for discussion in professional groups. The results from this study will be the focus of articles submitted to professional journals for publication.

This study’s results showed that owners of successful financial planning firms offer unique services that add value to their clients’ lives. The business owners created differentiation by offering specialized expertise with unique fee structures. Financial planners and corporate managers should seek to find ways to identify and address the needs of a market niche or consider focusing their efforts on a particular group of prospective clients. This finding will be the subject of articles submitted to professional journals and trade publications.

Financial planning practices are client-centered, and referrals from satisfied clients formed the primary pathway for business growth by businesses in this study. The ability to relate to clients and good communication skills are hallmarks of successful financial planning businesses. Individuals and corporate managers need to be aware of the importance of communication skills. Managers may consider supplemental training for themselves and their employees. Articles published in trade publications and continuing education seminars are forums for dissemination of this finding.

Findings and conclusions stemming from this study indicate networking may provide small businesses' owners with an essential marketing tool. Learning how to network effectively should be a topic for professional development seminars. Corporate managers may benefit from providing training in networking to members of their organization. Meetings with professional organizations and networking groups are methods for disseminating findings about networking.

The participants in the study viewed corporate websites as essential to their businesses. Useful websites contained explanations of business services and proved to be effective tools for attracting new clients. Information about finding ways to penetrate a market is important for individuals embarking on a new business venture. Implementing a professional website may be a low cost, effective way for new business owners to establish a position in the financial planning industry. Professional organizations and trade publications will serve as forums for dissemination of conclusions regarding websites.

The findings from this study demonstrated that to successfully create and maintain an independent financial planning business, individuals must have strong technical credentials combined with good business, communication, and marketing skills. Entrepreneurs may experience a protracted startup period, requiring perseverance and a sufficient cash reserve. The benefits of starting a financial planning business can address the owners' needs for autonomy, and provide satisfaction gained from service to others. The potential rewards of owning a financial planning business are important to those who are considering starting a business, and these individuals may learn of the results of this study from presentations at professional organizations and through articles published in trade and professional journals.

Recommendations for Further Research

The focus of this case study was small business owners of independent financial planning firms in the metropolitan New York City area. Future researchers could address different geographical locations or regions of the country. Expanding the geographical boundaries could uncover local factors that affect the success or failure of independent financial planning firms' owners. Findings, conclusions, and recommendations resulting from such studies might reveal whether local trends or biases affect the formation and growth of small businesses and methods for overcoming the indigenous obstacles.

Another area for further investigation would be a quantitative study examining the relationships between the success factors identified in this study and firms' profitability. For example, potential business owners may seek to determine the relative monetary benefits of investing in professional credentials and specialized training. Additionally, prospective entrepreneurs may seek to understand the relationship between communication skills and networking with monetary success. Measuring the value of a website and other marketing activities could also assist prospective business owners to determine which marketing tools could provide benefits.

The SBA (2014) reported that 20% of small firms' owners fail within the first 2 years, and 50% fail within 5 years. The population for this study included individuals who had been in the financial planning business for 5 years or more and had achieved profitability. Researchers could gather information about independent financial planning firms' owners beginning with businesses 2 years old and extending for the next 3 years. Understanding the owner's experiences during that time could provide information to business and government leaders who are interested in mitigating small business failure rates during the first 5 years.

Reflections

I selected the topic for this study to explore why some financial planners succeeded in business, and some failed. I shared the same characteristics as the participants, and as such, I might hold certain biases. I have been an independent financial planner for approximately 20 years and a member of the FPA for over 10 years. I became a CFP® after the required 3 years of experience in the field. I began teaching financial planning courses 6 years ago, preparing others to enter the profession. Because of these experiences, I wanted to explore the success factors of others.

My research involved engaging with others in my profession. During our discussions, I was careful to keep my opinions in check so that I did not inhibit their responses. I found that the participants welcomed me and answered my questions honestly and graciously. They were eager to know the results and to learn from others' experiences.

Because of my experiences, I had personally preconceived beliefs about the practice of financial planning. I had rigorous on-site training when I entered the field; the emphasis was on structured financial planning procedures and producing comprehensive plans for all clients. As this study evolved, I found that most of the participants customized their planning approaches and produced smaller, targeted plans. I used financial planning software; the participants preferred to use their own spreadsheets. I thought that formal business planning was essential; the participants relied mainly on cash flow projections. I found my opinions about planning procedures changing, and I gained an appreciation for the customized, targeted plan approach. I also concluded that informal planning could be effective for *some* business owners.

I was in alignment with the participants when they stressed the importance of marketing and learning how to run a business. I was surprised to find that some of the business owners did not engage in networking. I concluded that networking may provide benefits when done properly with the right group at the right time. Networking skills may not be intuitive and should be the subject of future training or continuing education seminars for financial planning professionals.

The primary success factor in financial planning is to satisfy clients' needs (Hansen, 2012). The need for excellent client service permeated the discussions with the participants and took precedence over other topics. I was encouraged by the passion the business owners had for their profession and the satisfaction they felt in what they did.

Summary and Study Conclusions

Financial planners benefit individuals and households in many ways. Planners provide professional guidance in (a) budgeting, (b) investing, (c) managing risk, (d) reducing tax liabilities, and (e) estate planning. Financial planners who establish their own businesses help individual clients, and are a source of new job creation. Strong financial foundations mitigate unemployment and economic uncertainty for both planners and their clients. Assisting small business owners of financial planning firms encourages economic growth and business expansion.

Half of the individuals who embark on new business creation do not succeed beyond 5 years (SBA, 2014). Many factors contribute to success or failure, but the findings from this study provided evidence that the probability of success relates to the level of preparedness of the founders. Technical training is not enough. Financial planners must also have or acquire business and marketing skills to maintain their businesses. In addition, entrepreneurs must have strong communication abilities and technical knowledge.

The findings and conclusions from this study indicate that for the subject population, new entrants to the field of financial planning should start their careers by working for an established financial planning firm to learn the best practices of the profession. Successful planners focus on a market niche or specialization that differentiates them from competitors. Taking care of clients' needs and scheduling regular communication with them is essential for client retention. Developing a business takes time and effort; expectations should be set accordingly.

Financial planning is a relationship business. Success entails willingness to learn how to market one’s firm and oneself, being able to conduct a client meeting, and the ability to inspire confidence and add value. Successful entrepreneurs are extroverts who are open to new ideas and have a high internal locus of control (Caliendo et al., 2014), and are individuals who have a need to achieve and a passion for what they do (Cardon et al., 2013). Psychological rewards are more important to entrepreneurs than financial rewards (Croson & Minniti, 2012). Governmental leaders and educational organizations’ administrators should combine efforts to recruit and develop entrepreneurial talent, especially in financial planning because so many American households can benefit from financial stability.

Leaders in professional organizations should provide training in business operations and marketing. Continuing education should feature areas such as the effective use of networking and social media. Organizational leaders should join with businesses to create mentoring opportunities for new or developing planners. Projections (BLS, 2013) show the need for financial planners will increase in the coming years. Encouraging entrepreneurs in financial planning can result in benefits for individuals, households, and the economy. More individuals can achieve financial independence to become their own source of financial security.

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Appendix A: Announcement and Invitation to FPANY Members

This announcement was made at the end of a monthly FPANY meeting:

My name is Joanne Snider. I am a member of the FPANY and am working on my doctoral study through Walden University. My topic is "Success Factors of Small Business Owners of Independent Financial Planning Firms." The study includes personal, confidential interviews lasting approximately one hour with business owners who have been in business for five years or more. When the study is completed, a summary of the results will be available. If you would be willing to participate, please let me know. I will be happy to answer any questions you may have and discuss the process in more detail.

Appendix B: Informed Consent Form

You are invited to take part in a research study of the success factors of small business owners of financial planning firms. The researcher is inviting business owners to participate if they have maintained their financial planning firms for 5 years or more, have 50 or fewer employees, and have business revenues of less than $35.5 million. This form is part of a process called "informed consent" to allow you to understand this study before deciding whether to take part.

This study is being conducted by a researcher named Joanne Snider who is a doctoral candidate at Walden University.

Background Information:
The purpose of this study is to explore the experiences of small business owners of financial planning firms. The intent is to identify factors of business success. The study may provide information to individuals who may be considering starting their own financial planning firm. The study may also provide information to managers regarding recruitment and retention of employees.

Procedures:
If you agree to be in this study, you will be asked to participate in an individual interview regarding your experiences as a business owner of a financial planning firm. The interview will be audio recorded and will last approximately 60 to 90 minutes. The questions you will be asked will include topics such as when and why you started your business, what training and experience you had that helped you create and maintain your business, how you set your business apart from competitors, what changes you made to ameliorate the effects of the 2008-2009 financial crisis, and what advice you would give to others who are considering starting their own financial planning firm.

You will receive a copy of the transcript of your interview. You will be asked to review the transcript and verify the accuracy of the transcription. You will also receive a 1-2 page summary of the results of this study, if you so desire.

Voluntary Nature of the Study:
This study is voluntary. Everyone will respect your decision of whether or not you choose to be in the study. No one will treat you differently if you decide not to be in the study. If you decide to join the study now, you can still change your mind later. You may stop at any time.

Risks and Benefits of Being in the Study:
Being in this study involves your time commitment of approximately 60 to 90 minutes for discussing your experiences regarding your business, and approximately 30 minutes to verify the transcription. There is no perceived risk to your safety or well-being. This study could potentially benefit independent financial planners, business owners, and other

interested individuals by enlightening them about strategies for business creation and survival that others have used successfully.

Payment:
Although there is no monetary compensation for participants, your participation is greatly appreciated.

Privacy:
Any information you provide will be kept confidential. The researcher will not use your personal information for any purposes outside of this research project. Also, the researcher will not include your name or anything else that could identify you in the study reports. Data will be kept in a locked file for a period of at least 5 years, as required by the university.

Contacts and Questions:
You may ask any questions you have now. Or if you have questions later, you may contact the researcher via email at. If you want to talk privately about your rights as a participant, you can call Dr. Leilani Endicott. She is the Walden University representative who can discuss this with you. Her phone number is 612-312-1210. Walden University's approval number for this study is 01-26- 15-0378350 and it expires on January 25, 2016.

The researcher will give you a copy of this form to keep.

Statement of Consent:
I have read the above information and I feel I understand the study well enough to make a decision about my involvement. By signing below, I understand that I am agreeing to the terms described above.

Printed Name of Participant ______________________________

Date of consent ______________________________

Participant's Written or Electronic* Signature ______________________________

Researcher's Written or Electronic* Signature ______________________________

*Electronic signatures are regulated by the Uniform Electronic Transactions Act. Legally, an "electronic signature" can be the person's typed name, their email address, or any other identifying marker. An electronic signature is just as valid as a written signature as long as both parties have agreed to conduct the transaction electronically.

Appendix C: Interview Guide

I. Introduction

Hello, this is Joanne Snider. Thank you for agreeing to participate in my doctoral study involving small business owners of financial planning firms. We agreed on this date and time, but I just want to confirm that this is still a good time for you. (If not, reschedule according to the participant's convenience.)

II. Acknowledge receipt of consent form

I received your informed consent form, and I want to thank you for sending that back so quickly. Did you have any questions regarding the study or the form? (Answer questions, if any).

III. Review confidentiality procedures

We'll be talking today about you and your experiences in creating and maintaining your firm. I want to assure you that everything we discuss is confidential. I will not be sharing your personal information with anyone else. All replies will be coded and will remain confidential.

With your permission, I will be recording our conversation. Once it is complete, I will transcribe it and send a copy to you. I would like for you to read it and verify that my transcription accurately reflects your meaning. Please email it back to me with your initials and any comments you wish to share. Would that be agreeable with you? Let's begin.

IV. Interview questions

1. How long has your firm been in the financial planning business?
2. What products or services does your firm provide?
3. Are your firm's revenues less than $35.5 million?
4. Has your firm achieved profitability within the last 5 years?
5. How many employees are in your firm, including yourself?
6. Please describe when and how you decided to start your own business.
7. Please describe your education, training, and skills that enabled you to maintain profitability.
8. How do you differentiate your firm from your competitors?
9. Please describe strategies you use to maintain your business.
10. How do you perceive the effectiveness of activities such as networking regarding business success?
11. How do you perceive the value of social media or the use of a company website?
12. What advice would you give another financial planner who was considering embarking on opening a small business? What skills or specific training would you recommend?
13. What else, if anything, would you like to add to our conversation about the success factors and strategies related to your business' survival during the first 5 years?

V. Closing

Record final remarks. Close with: Thank you so much for participating in my study. I will be transcribing our conversation and I will be sending you a copy for your review. I would appreciate it if you would return it quickly, along with your comments. I will be happy to send you the results of my study when it is finished.

Appendix D: Organizational Permission

FPA FINANCIAL PLANNING ASSOCIATION OF NEW YORK

Dear Joanne Snider,

Based on my review of your research proposal, I give permission for you to conduct the study entitled *Success Factors of Small business Owners of Independent Financial Planning Firms* within the Financial Planning Association New York Chapter. As part of this study, I authorize you to make an announcement at the chapter meeting inviting members to participate in personal, confidential interviews that you will conduct. Individuals' participation will be voluntary and at their own discretion.

We understand that our organization has no responsibility except to allow you time at the end of the meeting for you to make this announcement. We reserve the right to withdraw from the study at any time if our circumstances change.

I confirm that I am authorized to approve research in this setting and that this plan complies with the organization's policies.

I understand that the data collected will remain entirely confidential and may not be provided to anyone outside of the student's supervising faculty/staff without permission from the Walden University IRB.

Sincerely,