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Accounting Strategies for Small Business Law Firms' Sustainability

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This is to certify that the doctoral study by

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2016

Abstract

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by

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MBA, American InterContinental University, 2011

BBA, American InterContinental University, 2010

Doctoral Study Submitted in Partial Fulfillment

of the Requirements for the Degree of

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Abstract

Small business family law firms generate jobs within the local community, but often fail because of suboptimal accounting strategies. A multiple case study was used to research the accounting strategies small business family law firm owners use to succeed in business beyond 5 years. The population for this study was three small business owners of family law firms located in West Chester, Pennsylvania. The small business family law firm owners had achieved and maintained profitability of their businesses for a minimum of 5 years. Financial literacy theory and the leadership skill model comprised the conceptual framework for this study. Data collection included semistructured face-to-face interviews with the small business family law firm owners, a review of company documents, and field notes. Thematic analysis included data from face-to-face interviews, document collection, field notes, and current literature. Themes that emerged were (a) having or obtaining some formal accounting education, (b) working with an accounting professional, (c) categorizing expenses and using formal financial reporting, (d) developing and maintaining ethical standards of billing and unearned income, and (e) utilizing accounting software. Recommendations for action included investing in accounting courses and seeking professional assistance. Small business family law firm owners may apply these results to spend more time working with clients to increase income. Increasing the success of small business family law firm owners may contribute to positive social change by providing increased employment and economic health within communities.

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Dedication

I dedicate this doctoral study to my family. Their sacrifices have made this journey possible. To my father, Joseph P. Burke, you gave constant support since I was a child. To my wonderful husband, Jonathan Adams, you took charge of our household when needed and I am blessed to have your love. To my beautiful and smart children, Peyton, LeeAnn and Phoenix, may this achievement show you that anything is possible. To my brother, Joseph R. Burke, there is always light at the end of the tunnel. To Kristin Kildea, Katrina Schwartz and Heather Singer, you have helped my family more than you know, and without you this study would have been impossible. To my remaining family and friends, your encouragement kept me going. I am thankful to have all of you in my life.

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Section 1: Foundation of the Study

Accounting and business decision making go hand-in-hand (Purwati, Suparlinah, & Putri, 2014). Many small business owners do not maintain the appropriate accounting records for tax compliance (Amoako, 2013). Financial illiteracy may be one reason for this lack of maintaining accounting records given that some small business owners do not have a basic knowledge of accounting or fail to implement appropriate accounting strategies, which makes their financial management less effective (Carsamer, 2012). Small businesses owners may find that they are operating at a suboptimal level because of accounting issues (Dahmen & Rodriguez, 2014). Beyond financial illiteracy, there may be multiple other reasons for accounting issues in small businesses such as: (a) poor strategic planning, (b) lack of training with accounting systems, or (c) lack of resources.

Background of the Problem

Some small business owners lack the financial literacy required to make important financial decisions (Drexler, Fischer, & Schoar, 2014). A business's financial position is the main factor for the organization's success. Small businesses are forced by financial limitations to be highly efficient in allocating scarce resources to ensure survival (Salazar, Soto, & Mosqueda, 2012). Business failure has become a major research domain. Financial decision making is centrally important to small business success since key factors that contribute to failure are manageable by financial decisions that drive growth (Salazar et al., 2012). The study of business failure has been limited in qualitative studies, and existing studies have primarily focused on large corporations (Balcaen &

Ooghe, 2006). Therefore, it was appropriate to study small business and the use of financial and accounting strategies necessary to sustain a small business beyond 5 years.

Problem Statement

Small business law firms have $11 million in average annual receipts (SBA, 2014). The main reason for small business failure is a lack of financing and financial record-keeping knowledge (Lee, Fin, & Cobia, 2013). About 50% of small business owners fail to sustain their business longer than 5 years (SBA, 2014). Small business owners do not always have the financial literacy needed to make important financial decisions (Drexler et al., 2014). The general business problem is that some small business owners embark on small business initiatives without adequate accounting information. The specific business problem is that some small business family law firm owners lack accounting strategies to succeed in business beyond 5 years.

Purpose Statement

The purpose of this qualitative multiple case study was to explore the accounting strategies small business family law firm owners use to succeed in business beyond 5 years. The population for this study was three small business owners of family law firms located in West Chester, Pennsylvania, who have achieved and maintained profitability of their businesses for a minimum of 5 years. The resultant findings, conclusions, and recommendations may contribute to social change by increasing the success rates of existing and aspiring small business family law firm owners, and thereby provide increased employment and economic health within the community.

Nature of the Study

In this qualitative multiple case study I explored the accounting strategies that small business family law firms used to succeed in business beyond 5 years. The focus of qualitative research is to identify and explore experiences of participants (Venkatesh, Brown, & Bala, 2013). Researchers use qualitative methods when there are no preselected, close-ended, or definitive answers (Lund, 2012; Yin, 2014). Because quantitative researchers formulate hypotheses to test theories (Bernard, 2013), the quantitative method was not suitable for this study. Likewise, the mixed-methods approach which combines qualitative and quantitative approaches (Venkatesh et al., 2013) was not appropriate for this study because the purpose was to identify the accounting strategies some small business family law firms use to succeed beyond 5 years, through face-to-face interviews, observations, and document collection.

Qualitative research designs include narrative, grounded theory, phenomenology, ethnography, and case study. Narrative researchers highlight the lifelong stories of individuals (Safari & Thilenius, 2013). The narrative design was not appropriate for this study because I did not examine participant’s life experiences. Researchers use grounded theory to discover new theories (Jorgensen, Dahl, Pedersen, & Lomborg, 2012), which was not the purpose of this study. Phenomenology is the exploration of lived experiences (Moustakas, 1994), which is not appropriate because I am studying accounting strategies that small business family law firm owners use. An enthographic study involves studying a cultural group in a natural setting over an extended period of time (Geertz, 2012). An ethnographic design was not appropriate because studying a group or culture was not the purpose of this study. The case study design was valuable for meeting my objectives because this design is particualry effective for identifying, exploring, and describing pertinent characteristics and important themes (Van de Glind, Heinen, Evers, Wensing, & Van Achterberg, 2012). A qualitative case study is an approach that enables researchers to explore a specific phenomenon within a real-world context (Yin, 2013). Using a case study design enables researchers to gain the perspectives of individuals (Rowley, 2012). The case study design was most appropriate for my study because I interviewed and observed small business family law firm owners to understand the small business family law firm accounting strategy phenomena.

Research Question

My primary research question was: What accounting strategies do small business family law firm owners use to succeed beyond 5 years? From this central question, I developed the interview questions outlined below.

Interview Questions

- What type of accounting or financial competencies did you have when you started your family law firm?
- What is the importance of proper accounting record keeping in small family law firm businesses?
- What accounting strategies do you use to sustain your business?
- How does family law firm accounting record keeping differ from that of other businesses?
- How did you start your accounting record keeping when the firm opened?

- How has your financial record keeping evolved over the years?
- How does having knowledge of accounting contribute to your business success?
- What types of financial statements do you use?
- What is the importance of understanding financial statements?
- What are the downsides for business owners who do not have accounting or financial knowledge?
- What type of accounting knowledge or competencies have you gained since you first started your business?
- What type of accounting or financial strategies are important to have for lawyers who want to start their own family law firm and succeed beyond 5 years?
- What additional information would you like to share regarding accounting strategies or financial literacy for small business family law firm owners?

Conceptual Framework

The two theories I selected as most applicable to this study were financial literacy theory and the leadership skill model. Financial literacy theory began with research conducted by Bernheim (1995), who initiated the assessment of complex financial products and the relationship between economic growth in tax and public policy. The underlying practices of financial literacy theory in small business are bookkeeping, financial analysis, and credit management. Financial literacy theory enables small business owners to use financial information to develop strategies for growth. Financial literacy theory was applicable to my study because the proper alignment of bookkeeping, financial analysis, and credit management may enable small business family law firm owners to adopt an appropriate accounting strategy. Small business owners who have an efficacious accounting strategy will have a greater opportunity to enhance business performance (Siekei, Wagoki, & Kalio, 2013).

The leadership skill model by Mumford, Zaccaro, Harding, Jacobs, and Fleishman (2000) expanded on the skills-based leadership theory. Mumford et al. (2000) posited that leaders begin to address complex organizational issues by defining the problem and formulating initial solution strategies. The key attributes of the leadership skill model include technical, problem-solving, and social judgment skills to assist leaders in developing strategies for a variety of business problems (Mumford et al., 2000). I chose the leadership skill model as a secondary theory to view the research problem through a different conceptual lens. Under the leadership skill model, small family law firm business owners can develop accounting and financial literacy strategies, which may contribute to the success of their ventures.

Operational Definitions

Delphi model: A conventional forecasting approach that does not require large samples (Hsu & Lim, 2013).

Financial literacy: The ability to obtain, analyze, manage, and communicate information about a financial situation as it affects one's material well-being (Vitt et al., 2000).

Leading Economic Index: A tool used to measure economic factors that change before the economic cycle (Levanon, Manini, Ozyildirim, Schaitkin, & Tanchua, 2015).

Real money supply: Total supply of money in circulation used as a major economic indicator in forecasting (Levanon et al., 2015).

Assumptions, Limitations, and Delimitations

Assumptions

In research, assumptions are facts considered to be true but not verified (Lips-Wiersma & Mills, 2014). Assumptions carry risk. When researchers do not account for their assumptions, the research findings may not be valid (Leedy & Ormrod, 2013). The following assumptions underlied my study: (a) some individuals may have started their business without any accounting strategies, and (b) the participants provided truthful answers about their lived experiences. The degree of truthfulness and accuracy of the respondents established reliability and validity in my research.

Limitations

Limitations are potential weaknesses of the study that may lessen validity (Leedy & Ormrod, 2013). Several limitations existed in this study. First, participants' distinctive situations led to their success, and experiences of the participants varied. Second, my professional background as a legal accountant may have potentially influenced the research and analysis of data because of my in-depth experience in the field. Third, the study was geographically limited to West Chester, Pennsylvania, and the results of the research may not be the same in other geographic locations. Finally, I only used small business family law firms as the focus of the research. The study's findings may not be useful to small businesses in other industries, or small business law firms who specialize in other types of law. Therefore, the findings may only apply to small businesses that are similar in size or in the same industry.

Delimitations

Delimitations are restrictions or boundaries that researchers establish to focus the scope of the study (Mitchell & Jolley, 2010). A delimitation of this study was the geographical location of the small family law firms, West Chester, Pennsylvania. An additional delimitation was that only small business family law firm owners who have been in business for more than 5 years participated in the study.

Significance of the Study

Contribution to Business Practice

Small business owners must make complex financial decisions (Drexler et al., 2014). The findings, conclusions, and recommendations from this study could be of value to small business family law firms to help them understand why having an accounting strategy is pertinent to the success of their business. The results of this study may contribute to the effective practice of small business family law firms because accounting information is the raw material for the decision-making process across the entire value chain through all departments (Silviu-Virgil, 2014). Knowledge of accounting information can aid small family law firms by affecting equity, cash flow, profit, and proper categorization for adhering to tax laws.

Implications for Social Change

Possible contributions effecting positive social change include the potential to increase sensitivity to the importance of financial literacy in the small business community. Small business owners face many legal and accounting issues as they start their business (Blair & Marcum, 2015). The results of the interviews may contribute to social change for small business family law firms by helping them to understand the impact financial information can have on their firm and to develop solutions for proper record keeping to avoid poor financial choices. Also, the results of the study may be beneficial for increasing employment and economic health within the community that stems from rising success rates of small business family law firms.

A Review of the Professional and Academic Literature

This review of literature relating to accounting information for small businesses includes an in-depth exploration of information pertaining to the research question: What accounting strategies do small business family law firm owners use to succeed beyond 5 years? To address this study's purpose and answer the research question, I conducted a multiple case study to identify themes stemming from the experiences of the sample of three small business family law firms located in West Chester, Pennsylvania, in the United States. I have organized this literature review to present information pertaining to financial literacy theory and the leadership skill model that I used as my conceptual framework, followed by: (a) small business planning; (b) small business success and failure; (c) financial decisions; (d) financial literacy; (e) small business accounting and accounting record keeping; (f) financial reporting for small business; (g) small business capital management; (h) management accounting in small business; and (i) education, training, and development for small business owners.

Sources that I researched included industry articles, government data, and scholarly peer-reviewed articles. I used Accounting and Tax, ProQuest Central, EBSCOhost, Emerald Management, and ScienceDirect databases. Keywords for my searches were: *small business, small firms, financial literacy theory, record keeping, bookkeeping, small business failure, small business success, qualitative research, management accounting systems, leadership skills, accounting training, balanced scorecard, small business managerial accounting, small business performance, small business education, entrepreneur training,* and *ERP for SMEs.*

I gathered 168 references consisting of four government sources, 10 books, and 153 peer-reviewed articles. Peer-reviewed articles comprised 91% of my reference, and a total of 144 (86%) of the references were articles published within 5 years of my study's completion. In this literature review section, I make reference to 89 peer-reviewed journal articles and one book.

Financial Literacy Theory and the Leadership Skill Model

Financial literacy theory has gained attention in countries including the United States, Russia, Germany, Mexico, Italy, and Japan (Yuan & Yang, 2014). Business financial literacy is the ability to read and understand basic financial statements (Eresia-Eke & Raath, 2013). Financial literacy theory facilitates the decision-making process for developing accounting strategies for accounts payable, accounting record keeping, and credit management (Siekei, Wagoki, & Kalio, 2013). Low levels of financial literacy may prevent small business owners from understanding different financial options. Small business owners who have financial literacy have the ability to prepare financial statements and develop business strategies which can have a positive impact on business development and growth (Siekei et al., 2013).

Main practices of business financial literacy theory include bookkeeping, financial analysis, and credit management. In small businesses, there is no set standard of accounting record-keeping. By adopting an efficacious accounting strategy, small business owners can reproduce information about financial transactions and accurately reflect the financial position of their business (Eresia-Eke & Raath, 2013). Financial literacy theory may help small businesses owners mitigate risk from lack of financing if an accounting strategy is already in place (Siekei et al., 2013). If implemented on a large scale, the benefits of financial literacy theory to business owners may influence the whole economy to achieve financial inclusion and contribute to resource mobilization efforts (Sukumaran, 2015). Under business financial literacy, small businesses may understand basic financial statements, identify inaccurate accounting records, and use information to assess internal and external business strategies (Eresia-Eke & Raath, 2013).

Theorists of leadership try to capture what creates a good leader and how to recognize those who have the potential to lead a business successfully. Leadership is crucial for motivating followers and mobilizing resources toward the fulfillment of the organization's objectives (Antonakis & House, 2014). Earlier leadership theories' were primarily trait-based (Colbert, Judge, Choi, & Wang, 2012). However, the foundational tenet of the leadership skill model is that effective leadership includes skills as well as traits.

The leadership skill model expands on the skills-based leadership theory approach. The framework of the leadership skill model is relational in orientation, emphasizing the links between perspective taking, experience, and wisdom (Fruhen, Mearns, Flin, & Kirwan, 2014). Using this model, Mumford et al. (2000) have illustrated that experience, good mentoring, and training improves leadership skills. Knowledge and skills develop as a function of education and experience as leaders develop through their careers (Mumford et al., 2000). Mumford et al. stated that many individuals have the potential for leadership; this potential may emerge through experience and learning, and benefits from experience.

Under the leadership skill model, organizations can easily select leaders based on the potential leader's skill set (Fruhen et al., 2014). The advantage of the leadership skill model is that many people have the potential to be leaders if they focus on training and development to enhance their knowledge, abilities, and skills (Fruhen et al., 2014). Another advantage of the leadership skill model is that ordinary leaders have the opportunity to become remarkable leaders.

There is still some debate about whether leadership is a behavior, a trait, or a skill. The trait theory and the great man theory have some application to the conceptual framework of this study. Prior research on the trait theory of leadership has addressed the important role of traits in leaders (Germain, 2012). The basis of trait theory is that traits influence leader emergence and effectiveness (Colbert, Judge, Choi, & Wang, 2012). It is the person's personality, physical appearance, abilities, and social skills that are central to the leadership process (Germain, 2012). Trait theory is similar to the great man theory, in its premise that leaders are born, not made (Maloş, 2012).

Proponents of the great man theory have posited that leaders are born and not made, and that leadership is inherent (Maloş, 2012). Early research on the great man theory pertained to already established leaders such as Abraham Lincoln and Ghandi (Germain, 2012). *Great man* is the term used by theorists because, during the period when the theory originated, the definition of leadership is the quality of a man (Maloş, 2012). Even today, people described leaders as having the right qualities or personality, which implies that characteristics are what make certain individuals effective leaders (Maloş, 2012).

During the first half of the 20th century, users of trait theory had inconsistent results. While trait theory is appealing, defining experience only by traits can undermine other research findings. Over the years, there has been much criticism of the great man theory. One theorist proposed that leaders were products of the environment in which they lived (Spencer, 1896). Maloş (2012) explained in the great man theory that leadership is inborn and not everyone can aspire to become a leader. Mumford et al. (2000) concluded that the leadership skill model should include skills along with traits (Germain, 2012). Given its considerable limitations, I determined that trait theory alone was not suitable for this study..

Small Business Planning

During the first 3 years of operating, small business owners are more likely to have serious difficulties with obtaining financing, pricing, and dealing with government agencies (Chwolka & Raith, 2012). Entrepreneurs can face many challenges such as liability of a new business, lack of funding, and cash burn (Zimmerman, 2013). Zimmerman (2013) found that many start-ups lack clarity of tax structure and the ability to maintain accurate accounting records. However, business planning might affect the small business owner's behavior. Planning is instrumental in determining whether to eliminate a project before it starts. Chwolka and Raith (2012) focused on business planning for entrepreneurs who wished to enter a market. By using a decision theoretical framework, Chwolka and Raith measured the value of planning through the view of the emerging business owner. The view of the emerging business owner enabled them to identify unreasonable decisions such as negative payoff. Previous studies have shown bias toward successful entrepreneurs (Chwolka & Raith, 2012).

Small business owners who lack financial knowledge, accounting strategies, or help from accounting professionals may find themselves criminally liable for fraud. Brätland (2012) examined the difference in calculating objectives between entrepreneurs and accountants. The entrepreneurs used the practical essence of economic calculation, whereas accountants used existing or imputed market values of assets (Brätland, 2012). The accounting calculation method pertains to accuracy in a way that ignores the entrepreneur's calculation of future capital and income, whereas the entrepreneur is usually focusing on the future. This focus can indicate significant weaknesses when compared to the accountant's calculations (Brätland, 2012). Brätland explained that even though the two accounting strategies differ in how they calculate capital and income, the accountant approach can complement the entrepreneurial strategy. However, small business owners have the right to choose their accounting strategy (Brätland, 2012).

Small business owners can choose to form a limited liability company, an S corporation, a sole proprietorship, or a partnership. Blair and Marcum (2015) studied how accountants and attorneys chose the appropriate classification for small businesses. There are advantages and disadvantages for each entity type, with different accounting issues for taxes, payroll, and start-up costs. Blair and Marcum argued that business owners should seek professional help and supply reliable financial information to professionals to determine which entity is best for their business. However, small business owners have limited financial resources, and the demands on these resources are high (Blair & Marcum, 2012). When they seek advice from professionals, small business owners need to supply accounting information in a relatively short period of time.

Small business owners may want to transfer their business to a new owner. George (2013) stated that there was a concern that the new owner may not have the aptitude to take over. The goal of successions is to advance hidden talent, and the successor will have the knowledge, skills, and abilities to run the company successfully (George, 2013). George stated that small business owners prefer someone who could potentially access financing. The potential new business owner will need to not only face the challenges of a new business owner, but also be able to handle the financial demands that come with it (George, 2013). Successors who do not understand certain accounting functions need to bring in a third-party professional until they have a better grasp of the financial concepts (George, 2013).

Categorizations of small and medium-sized business vary by socioeconomic conditions in different regions or countries. Karadag (2015) analyzed the role of financial management in small businesses and identified challenges and practices that influence performance. Financial challenges include collateral, financial-statement-related problems for obtaining bank loans, and low levels of equity (Karadag, 2015). Many small business owners have a limited knowledge of accounting and finance, but despite this, many of them refrain from hiring professionals (Karadag, 2015). Insufficient financial knowledge has a negative effect on financial planning and record keeping because some small business owners do not make informed financial decisions (Karadag, 2015).

Small Business Success and Failure

Small businesses are significant both economically and socially because they foster employment and promote innovation. Arasti, Zandi, and Talebi (2012) focused on small business failure in Iran, as opposed to other authors who tend to focus on business success. Arasti et al. chose to conduct research in Iran because a large number of small businesses are unsuccessful there. Newly established small businesses were the sample in Arasti et al.'s study, and the authors indicated that the lack of financial strategies affected the likelihood of business failure. Unsuccessful business owners often lack financial skills, along with crisis management and human resource skills (Arasti et al., 2012).

New small business owners need to navigate the start-up phase and situate themselves for continued growth if their businesses are to last (Katre & Salipante, 2012).

Katre and Salipante (2012) focused on understanding behaviors of start-up ventures. The authors described behaviors for business start-ups such as asking for funds, completing a business plan, and opening a bank account. These three behaviors separate successfully launched businesses from those that failed: purchasing or leasing facilities, obtaining financial support, and developing business models (Katre & Salipante, 2012). Katre and Salipante concluded that struggling small business owners entered into constantly increasing debt to the point that they had to close their business.

The function of accounting is to provide cost and performance information that supports a business's operations (Padachi, 2012). An attribute of some business failures is the incapability of financial managers to plan and control assets and liabilities. Padachi's (2012) study about the importance of formal accounting systems among small and medium-sized businesses showed that small business owners tend to control all functions of the business, but they spend less time on the accounting function. Maintaining accounting records is a key problem in small businesses (Padachi, 2012). Padachi concluded that many problems of small businesses relate to accounting. Managers who do not have adequate financial strategies and knowledge may be missing key financial indicators that serve as monitoring tools (Padachi, 2012).

There are no standardized measures of financial literacy. Wise (2013) investigated the correlation of financial literacy with new business survival, measuring the relationships between financial literacy, loan default, and business failure. Entrepreneurs who increased their financial literacy produced more financial statements (Wise, 2013). The additional knowledge of financial literacy increases the probability that small business owners would repay their debts and lowered the possibility of small business failure (Wise, 2013).

There are many questions as to why small business owners succeed or fail. Halabí and Lussier (2014) posited a model for predicting small firm performance for increased probability of entrepreneurial success. They found that elements that contributed to business success are record keeping and financial control (Halabí & Lussier, 2014). Some prior researchers posited that success related to progressive financial performance. The results of Halabí and Lussier's study showed that successful firms had higher usage of bookkeeping and accurate financial and accounting information. Many small business owners in Halabí and Lussier's study started with higher working capital. These factors increase the likelihood of higher levels of performance, as working capital is necessary for success. Some small businesses have resource constraints, which puts them at a disadvantage versus larger companies (Halabí & Lussier, 2014).

Financial Decisions

The financial environment of a business is a main factor for an organization's success. However, some small businesses do not have enough financial information to make decisions. Salazar et al. (2012) examined financial decisions made by small businesses. Using quantitative methodology, Salazar et al. showed that companies that handle short-term assets effectively are more likely to survive than companies that handle short-term assets at a suboptimal level. Salazar et al. also found that certain financial decisions have no relationship to some small business strategies.

Accounting and business decision making go hand-in-hand. Purwati, Suparlinah, and Putri (2014) studied the effect of accounting information and decision making in small Indonesian businesses. The majority of small businesses had poorly kept accounting records and were not in compliance with accounting standards. The lack of adequate accounting records results in inadequate financial statements which hindered rural banks from providing loans and investments to these businesses (Purwati et al., 2014). Purwati et al. concluded that small business owners need to start paying attention to financial record keeping not only to obtain financing or other services, but also to maintain compliance with GAAP.

It is important that small business owners understand how to develop and collect financial information. Florin (2014) discussed the important societal role of the accounting profession. Accounting information builds slowly as the business entity develops, which enables the business owner's information to make decisions (Florin, 2014). For business owners, financing means deciding and allocating resources, and those business owners who do not have the knowledge or understanding should seek the expertise of an accountant (Florin, 2014). Decision making based on accounting activity depends on the success of financial analysis of the business owner or an outside accountant.

Financial Literacy

Previous researchers on financial literacy found that individuals in the United States lack numeracy and financial literacy; financial knowledge measures are lower for those with low income and low education. Lack of financial literacy may hinder the ability to make well-informed financial decisions (Collins, 2012). Carsamer (2012) examined entrepreneurs and their financial management skills. Many business owners do not have a basic knowledge of accounting, which makes their financial management less effective (Carsamer, 2012). As an individual's financial literacy and capacity increase so does the likelihood of obtaining financial advice (Collins, 2012). Adoption of financial management remains low in small and medium-scale businesses (Carsamer, 2012). Some small business owners are not satisfied with the recording of financial transactions (Carsamer, 2012). To improve the financial management of small business owners, Carsamer (2012) recommended training in accounting for recording financial transactions and separating bank accounts. There is a high correlation between financial literacy and advice seeking, which indicates that seeking advice is complementary to financial literacy, as opposed to a substitute for it (Collins, 2012).

Decision makers can improve financial decisions when information is noncomplex (Altman, 2012). Altman (2012) found that there is a lack of basic financial literacy regardless of education, but literacy is lower in groups that have lower income and less education. The purpose of financial education instruments is to increase a business owner's capacity to process and understand financial information. However, increasing financial education is not the only answer. Altman argued that increasing accounting skills and financial education will help individuals make better decisions and develop better strategies. Business owners may not be aware that they are participating in white collar crimes; improving financial and accounting knowledge might help them avoid these situations.

Small business owners who do not have appropriate accounting and financial knowledge may find that the business is performing at a suboptimal level. Dahmen and Rodriguez (2014) explored financial literacy and how it affects small businesses. Working with the Florida Small Business Development Center, the authors analyzed 14 small businesses. The assessment included the financial condition of the business, along with surveys of the business owners to determine their level of financial understanding and use of financial statements in decision making. Dahmen and Rodriguez used a case study in which the business owners participated in extensive interviews. The authors concluded that there was a strong association between small business owners' financial strength and perception of strength regarding financial statements. Dahmen and Rodriguez stated that in half of the businesses, the business owners did not review financial statements on a regular basis, and just under half of the small businesses were experiencing financial difficulty. Dahmen and Rodriguez recommended that small business owners master financial literacy in order to understand their financial statements.

Financial literacy is not a character trait but a concept that needs practice. Also, financial literacy is more than just the skill of understanding and writing in the language of accounting. Bay, Catasús, and Johed (2014) explained that the concept of financial literacy should be studied in practice, as the characteristics of it vary with the time and place. For example, financial literacy of accounting is different from pension, credit card, and personal investment (Bay, Catasús, and Johed, 2014). The authors' research is fundamental to understanding how financial literacy and accounting information correlate. Bay et al. identified accounting information as a *second language* to consumers of financial information. Increasing financial literacy can avoid adverse impacts on financial markets and improve corporate governance.

Rule-of-thumb training is a hands-on approach to account for money and apply proper transfers, such as separating business and personal accounts. Small business owners do not always have the financial literacy to make important financial decisions. Drexler et al. (2014) studied accounting training and rule-of-thumb training regarding financial literacy among micro-entrepreneurs. They selected 1,193 participants to train in each category. Those who participated in rule-of-thumb training showed significant improvement in managing finances, keeping account records, separating personal from business income, and calculating revenues on a monthly basis. Those who participated in the standard accounting training had no major improvement. Drexler et al. found that entrepreneurs were more likely to use the skills in the rule-of-thumb training. They demonstrated how specific training can positively influence accounting in small businesses and the importance of understanding the difference between revenue and profit for new entrepreneurs. The training enables small business owners to measure profits, which can be difficult without appropriate processes and skills.

Carey (2015) investigated if small businesses owners who lack financial literacy benefited from external advice from accountants. Many small and medium-sized enterprises (SMEs) seek external support if they lack in-house resources. Carey argued that external accountants can provide a source of competitive advantage. The results of the study indicated that small business owners who buy business advice from external accountants show improved performance. Accounting professionals are experts in compliance with extensive knowledge of accounting standards who can monitor a firm's performance. Carey noted that it is not clear whether business advice leads to better performance or vice versa. Small business owners who lack accounting information may benefit from seeking outside help. Current business owners who have an in-house accountant may also seek outside advice to improve business performance.

A small business owner's confidence may affect informed decision making. Assad (2015) explored how financial literacy affects financial decisions and incorporated the theory that CEO overconfidence affects a firm. Assad found that individuals with both high knowledge and high confidence make sound financial decisions. Also, individuals with high confidence and low knowledge are more susceptible to taking financial risks (Assad, 2015). The results are only as good as the survey, and participants may overstate good financial behaviors and understate bad financial behaviors (Assad, 2015).

Small Business Accounting and Accounting Records Keeping

To identify income, those who maintain financial records need to increase the assets and decrease the liabilities in the business (Quinn, 2014). The principles of accounting are concepts such as objectivity and realization of revenues (Quinn, 2014). The critical process for determining performance stems from the ability of a firm to generate income (Quinn, 2014). Measurement of verifiable evidence occurs through the effects of financial transactions. The strength of these concepts is the reliance on financial statements, which produces comparability between competitors (Quinn, 2014). Financial statements offer insight into a company's fiscal priorities, assets, liabilities, and prospective earnings. Small businesses should produce three financial statements that summarize their assets: (a) balance sheet, (b) income statement, and (c) cash-flow statement (Quinn, 2014). The balance sheet provides information on financing, assets, debt, and equity (Quinn, 2014). The income statement details revenues and expenses and the income generated (Quinn, 2014). The statement of cash flow includes the use of the firm's operating, investing, and financial activities (Quinn, 2014).

Some small business owners do not maintain the appropriate accounting records for tax compliance. Amoako (2013) investigated accounting strategies in small businesses in Ghana. Of the 10 small businesses studied, a majority failed to maintain proper accounting records. Amoako found that the small business owners did not think they needed to keep proper records and did not want to reveal their financial position. Other reasons for not maintaining records are lack of accounting knowledge and the cost of hiring an accounting professional (Amoako, 2013). Amoako recommended that small business owners participate in accounting programs and that the government should create specific guidelines for small business accounting. Government involvement could lead to proper declaration of income for tax purposes and ensure compliance (Amoako, 2013). The business owner can gain insight into what is happening with their business, determine costs, and profitable activities.

When small businesses do not maintain accounting records, they slow down the process of obtaining financing from financial institutions. Ezejiofor, Emmanuel, and Olise (2014) conducted a quantitative study through the use of a questionnaire to determine the contributions of accounting to efficient performance in small businesses. Ezejiofor et al. stated that many new entrepreneurs view accounting and bookkeeping as daunting. However, accounting and bookkeeping are similar in that they share two basic goals: keeping track of income and expenses, and collecting financial information for tax preparation (Ezejiofor et al., 2014). Ezejiofor et al. found that accounting records contribute significantly to the performance of small businesses, and proper record keeping generates timely decision making to enhance company performance.

Abdul-Rahamon and Adejare (2014) conducted a survey to investigate the effect of record keeping in small businesses. The authors collected data using a mixed-methods approach. The level of record keeping for accounting records correlated with financial performance, and there was a strong relationship between accounting and small business performance (Abdul-Rahamon & Adejare, 2014). Keeping proper records of financial transactions can help avoid business failure and help owners make sound decisions (Abdul-Rahamon & Adejare, 2014). Benefits of proper accounting provide quick turnaround for financial statements, reveal fraud, and record-keeping errors (Abdul-Rahamon & Adejare, 2014). Proper accounting is crucial to business survival and provides financial control to small business owners (Abdul-Rahamon et al., 2014). Many small business owners use the cash accounting method and measure performance by profitability (Abdul-Rahamon et al., 2014).

Small business owners may choose to rely on simplified financial accounting software, such as QuickBooks, to maintain accounting records. Schiff and Szendi (2014) did an overview of previous feedback about the software. They claimed that the software is simple enough for entrepreneurs to use without any prior training or experience in accounting. Many new small business owners lack the expertise to create and fine-tune accounts specific to their business (Schiff & Szendi, 2014). The program has the capability to create financial statements, but it must be adjusted for the accounting method of the business, whether accrual or cash basis (Schiff & Szendi, 2014). Schiff and Szendi noted that although the software is simple, some features important to small business owners are complex and may be challenging to use for those without any knowledge of accounting. QuickBooks has established an academy that provides guidance for these complex tasks, which helps small businesses understand how to properly keep track of accounting records and prepare and analyze financial statements (Schiff & Szendi, 2014).

Several user-friendly accounting software systems enable small business owners to produce basic financial statements. Patten and Patten (2014) discussed financial measures for small business owners. Patten and Patten suggested the following: (a) sales or operating revenue, (b) gross margin, (c) operating profit margin, and (c) free cash flow. The sales or operating revenue is in the profit and loss statement, which is replicable for several years. The sales or operating revenue indicates the amount of growth or decline of the business and indicates the health of the company (Patten & Patten, 2014). The gross revenue in retail industries indicates differences between the cost of goods sold and sales revenue (Patten & Patten, 2014). The operating profit margin is the operating revenues minus operating expenses (Patten & Patten, 2014). Free cash flow is essential for small business owners to see what cash is available for paying off debt (Patten & Patten, 2014). Important financial metrics are useful for small business owners to look at the financial stability of their business.

Some small business owners may not have an understanding of financial indicators that are relevant to their industry. Levanon et al. (2015) evaluated the usefulness of financial indicators and the ability for businesses to predict peaks in their business cycle. By using the Leading Economic Index, Levanon et al. (2015) found that it was possible to identify financial indicators to predict turning points in recessions and recoveries. Levanon et al. claimed that replacement of real money supply in indexing components can lead to improved forecasting. Other authors have disagreed with this concept, as results are not always accurate.

Financial Reporting for Small Businesses

Small businesses do not follow the same reporting requirements as larger organizations. James (2012) focused on financial reporting from the perspective of private companies. The International Financial Reporting Standards (IFRS) and private company financial reporting are significant issues that affect the accounting professions, small businesses, and capital markets (James, 2012). Since small businesses are not required to supply quarterly or annual financial statements, small business owners can apply GAAP or other standards, such as cash basis or tax basis accounting (James, 2012). James explained that GAAP has some of the most complex accounting standards for small businesses, resulting in a cost burden on small companies. Some small businesses start out as sole proprietorships, partnerships, or S corporations. Small business owners who want to convert to a public corporation should apply current GAAP, knowing that they may need to implement IFRS in the future (James, 2012).

Prior researchers have explored the possibility of standardization of small business financial reporting. Klychova, Fakhretdinova, and Antonova (2015) explored the possible implementation of accounting procedures and financial data reporting for small businesses in accordance with the IFRS. Klychova et al. (2015) argued that implementation of smaller scale regulations in accordance with the IFRS would enhance fundraising abilities and make external crediting more available. IFRS implementation has already started in Russia, with specific criteria to identify small businesses (Klychova et al., 2015). A challenge for small businesses is the need to create a special IFRS department, which may be difficult for businesses with limited resources (Klychova et al., 2015). Standardizing financial reporting requirements for small firms would provide transparency for their economic activities.

Deaconu (2015) argued that a single international accounting reporting standard should improve financial reporting to promote decisions and influence the business environment. In his study, Deaconu (2015) focused on emergent and developed economies of implementing IFRS. The basis of Deaconu’s research was on the mimetic theory, which postulates that humans learn their desires from others, and everyone desires to excel over everyone else in the accumulation of goods. Using a quantitative method with a correlation design, Deaconu examined documents and statistical tests from 131 respondents from 45 countries. The degree of acceptance of IFRS for small businesses indicates neutral views (Deaconu, 2015). Deaconu found that emergent countries were more open than developed countries to adopting IFRS for small businesses. Deaconu's findings are consistent with mimetic theory, which holds that emergent countries tend to embrace concepts or trends with support by majority groups or developed countries.

Small Business Capital Management

Small business owners may choose to use debt as a financing option when starting a new business. Osei-Assibey, Bokpin, and Twerefou (2012) investigated what type of financing is preferable for small businesses, and distinguished other financing sources beyond what is in corporate finance literature. Smaller businesses prefer low cost data with internal finances (Osei-Assibey et al., 2012). As businesses grow, small business owners are more likely to seek out formal financing (Osei-Assibey et al., 2012). Osei-Assibey et al. also found that small business owners' socioeconomic characteristics—such as owner's education, financial literacy, enterprise size, and sensitivity to high interest rates are top determinants of start-up, present, or future financing preference. Osei-Assibey et al. (2012) argued that financing preferences are constrained. Removing constraints that prevent start-up and less established businesses from accessing formal financing can enable further growth of these businesses (Osei-Assibey et al., 2012).

Liability increases for small businesses owners who wish to use debt for financing, which can affect equity in the business. Cole (2013) used four nationally representative surveys conducted for the U.S. Federal Reserve Board and the U.S. Small Business Administration between 1987 and 2003 to examine the capital structure decisions of privately held U.S. firms. Cole found that privately held small businesses employ a comparable degree of leverage relative to small publicly traded companies when measurement of leverage is the ratio of loan to assets. Small businesses employ less leverage when measurement of leverage is by the ratio of assets to liabilities (Cole, 2013). Cole noted that measurement of firm leverage by the ratio of total loans to total assets relates to five factors: (a) median industry leverage, (b) corporate legal form of organizations, (c) age of business, (d) number of bank and nonbank relationships, and (e) minority ownership.

Access to capital was the main issue for small businesses during the weak economy. Geho and Frakes (2013) worked with the Tennessee Small Business Development Center to conduct telephone interviews with small businesses located in Tennessee. Geho and Frakes administered a survey to determine which small businesses were obtaining financing and to identify differences between small businesses that receive financing and those that do not receive financing. Sixty percent of the participants stated that they did not want to apply for financing because of already low resources (Geho & Frakes, 2013). Geho and Frakes concluded that to have a sustainable positive economic impact on small business growth, implementation of stimulus programs by the government may be necessary.

Management of cash in small businesses should begin with informal cash planning. Orobia, Byabashaija, Munene, Sejjaaka, and Musinguzi (2013) used an exploratory research design that focused on the actions that owners or managers of small businesses undertake in managing working capital. Orobia et al. indicated that the interviewees started activities such as cash planning, record keeping, account reconciliations, safeguarding, and saving cash. Orobia et al. noted that small business owner/managers recorded financial transactions in a simplified manner, such as recording cash receipts, cash purchases, rent, water, and utilities, but did not include operating expenses such as payroll as financial transactions. Many of the business owners relied on their memory for writing records (Orobia et al., 2013), and approximately half of the participants did not make a profit. The authors advocated that owners and managers of small businesses develop soft skills and better methods to improve management of working capital (Orobia et al., 2013).

Management Accounting in Small Business

It is important for small business owners and managers to understand that there are options in management accounting that are available to help them make decisions and get ahead of competitors. The discipline of accounting is changing from a traditional record-keeping and compliance-based reporting role to providing information that organizations need to formulate, communicate, and achieve strategic initiatives (Spraakman & Jackling, 2014). Managerial accounting is not a requirement of accounting regulations or bound by the same criteria as financial accounting (Songini, Gnan, & Malmi, 2013), but it is still a useful tool for small businesses that may not have complex systems. Fotache, Fotache, Bucşă, and Oneanu (2011) stated that management accounting provides information needed for decisions and planning, whether it is for formulating plans to achieve the objectives or short-term operational plans. Yalcin (2012) noted that the top uses of management accounting are cost control, information for pricing decisions, and cost cutting. Songini et al. (2013) stated that managerial accounting can support small businesses in making effective decisions.

Prior researchers have suggested that the success rate of entrepreneurial businesses is low. Lee et al. (2013) conducted a case study to help small businesses owners understand how management accounting would help their business. Some small businesses evaluate performance from past financial statements used for tax purposes (Lee et al., 2013). Management accounting systems with the right procedures are capable of mitigating the challenges of small businesses (Lee et al., 2013). Oncioiu (2013) focused on financial accounting practices by the use of management accounting. Oncioiu found that some small business owners have a unique type of accounting practice similar to management accounting while other business owners did not use management accounting or even have any knowledge of it. However, over 50% of the participants in Oncioiu’s study related management accounting to business strategy. Oncioiu determined that the benefits of management accounting are budgeting and cost analysis, and the use of management accounting boosts the knowledge of stakeholder needs. Prior researchers have demonstrated that some small businesses who integrate a management accounting system have greater success at surviving past the 5-year point, which gives them the opportunity to transform into a larger and more influential company (Lee et al., 2013).

In developing countries, accounting information systems are desirable. Khassawneh (2014) focused on filling the gaps between accounting information systems and organizational effectiveness. Khassawneh found that the failure rate of information systems is about 30% in developing countries, due to a shortage of strategies and knowledgeable personal. Khassawneh stated that many countries have technological weaknesses and lack human resource skills. SMEs often lack internal accounting experience and accounting information systems, which results in lower understanding of the importance of accounting information and the ability to generate financial reports (Khassawneh, 2014).

Decision making. One of the main goals of management accounting is to provide information for decision making. Management accounting information may influence decisions of business owners and management (Butler & Ghosh, 2015). Such information may focus on relevant costs, which are variable or marginal costs such as human labor, materials, and immobilized costs (Marius, Denisa, & Florina, 2012). Information may contain financial and nonfinancial elements to aid in planning or control decisions.

Butler and Ghosh (2015) examined individual differences in managerial accounting on judgment and ability to make decisions in scenarios involving sunk costs, hindsight, and decision aid. Butler and Ghosh (2015) determined that individual differences in comprehensive thinking ability influence judgment and decisions. The author implied that individual differences in comprehensive thinkers are more likely to halt a reinvestment project. There can be no universal calculation system when it comes to decision making. System design needs to take into account the activities and environment of the organization (Marius et al., 2012). Odar, Kavic, and Jerman (2015) concluded that in times of crisis, the use of management accounting for decision making decreases while focus on controlling equity increases. It is crucial for small businesses to understand the development and characteristics of management accounting systems as the main source of information for decision making. Understanding management accounting systems allow effective use of the information for making decisions in different economic environments.

Ng and Harrison (2013) developed a framework of management accounting practices in small businesses using a revenue management perspective. Ng and Harrison acknowledged in their framework that management accounting practices in small firms are unlikely to form part of a separate management accounting function; rather, they are likely to be part of the general management or accounting functions. The authors concluded that a customized accounting system could provide a 360 degree view of the business to provide information for decision making and for recording all financial transactions. By applying the revenue management perspective, management accounting aligns with the information needs of small business owners.

Balanced scorecard. The benefit of the balanced scorecard is that all types and sizes of businesses can use it as a strategic and performance management tool. Previous researchers identified difficulties in implementing performance measurement systems in small businesses. In 2010, Garengo and Biazzo (2012) worked with a small company to develop and implement a balanced scorecard. After 2 years, the authors evaluated the system and determined that there was a positive impact of alignment of strategic goals and four key performance indicator perspectives: (a) financial, (b) customer, (c) internal, and (d) learning and growth from implementing the balanced scorecard (Garengo & Biazzo, 2012). Giannopoulos, Holt, Khansalar, and Cleanthous (2013) stated that the balanced scorecard's main strength for many businesses is it may provide organizations with an unique ability to combine financial and nonfinancial measures by measuring both strategic and business performance through four interrelated perspectives: (a) financial, (b) customer, (c) internal business process, and (d) learning and growth.

Machado (2013) researched the use and awareness of the balanced scorecard in small to medium-sized firms by interviewing management accountants of 58 small to medium-sized companies in Portugal. Only 5% of the companies used a performance evaluation tool (i.e., the balanced scorecard). Machado stated that the percentage of small to medium-sized companies that use the balanced scorecard was significantly smaller than authors of previous studies who focused on large corporations had estimated. Of the companies interviewed, 31% rejected the use of the balanced scorecard, for the following reasons: (a) management through the balanced scorecard was not useful to the company, (b) the benefit/cost ratio was not favorable, (c) the philosophy of the balanced scorecard was incompatible with the company's internal policy of nondisclosure of management information to the public, and (d) the company did not have knowledgeable personnel to implement the balanced scorecard (Machado, 2013). Machado also concluded that approximately 62% of the managers in charge of management accounting did not know about the balanced scorecard. Machado suggested that knowledge of the balanced scorecard should be accessible to those in charge of management accounting.

Prior researchers have used the balanced scorecard to link performance and leadership styles. Wu (2014) analyzed the implementation of the balanced scorecard in small businesses and the effect on organizational performance with leadership styles. The results indicated that leadership styles and implementation of the balanced scorecard have a positive and interactive effect on organizational performance. Wu stated that using the balanced scorecard generated a mediating effect on leadership style and performance, which may help small business owners develop their leadership capabilities. There remains a gap in the literature regarding employing empirical evidence and small businesses' use of the balanced scorecard.

Budgets and control. Budgets can be just as beneficial to smaller firms as they are to larger corporations. Budgets are one of the main management control systems in organizations (King, Clarkson, & Wallace, 2010). Budgeting enables small businesses to control cash flow. Lohr (2012) concluded that few small firms had an established budgeting process; instead, the business owners used other instruments. Mbroh and Attom (2012) noted that only 10% of the participants in their study used budgets, and 57% did not understand the term *accounting control*. The authors also noted that only 3% of small business owners used budgets for future cost predictions. The lack of basic management accounting education, or basic working knowledge of accounting, could account for the lack of financial control in small businesses. However, when small businesses adopted and learned how to use a system such as enterprise resource planning, Teittinen, Pellinen, and Jarvenpaa (2013) concluded enterprise resource planning was the main system to generate profit and loss statements and implement the strategic vision of a company.

Enterprise resource planning. Data collection and storage is changing due to enterprise resource planning (ERP) systems. ERP systems are operational information technology systems that enable business managers and owners to have ample data on hand for analysis (Mehrjerdi, 2010) by integrating separate business units into one system

(Teittinen et al., 2013). The main benefit of ERP systems is transparency (Teittinen et al., 2013). The implementation of ERP is lengthy and complex, and there have been both successful and unsuccessful adoptions of the system (Bharathi, Raman, & Pramod, 2014).

Small business owners can use accounting numbers as factual data that are pertinent in the rationalization of choices for decision making. Van der Meer-Kooistra and Vosselman (2012) stated that management accounting is relevant in that it provides insights of the involvement of accounting and control with organizational reality. Budgets can be vehicles for goal setting (Van der Meer-Kooistra & Vosselman, 2012). Using accounting system data can stabilize networks' performance, and serve as a mediator for improving interorganizational relationships (Van der Meer-Kooistra & Vosselman, 2012).

Kanellou and Spathis (2013) examined accounting benefits of ERP. The researchers concluded accounting systems can benefit from ERP systems in five dimensions: (a) faster and easier data gathering, generating quick results; (b) reduced time in generating closure of accounts and issuing financial statements; (c) flexibility of information, improved decision making and internal auditing, and improved reporting quality; (d) improved working capital control and increased analysis of ratios; and (e) cost reduction for personnel in the accounting department (Kanellou & Spathis, 2013). Bharathi et al. (2014) explained that ERP is a useful tool for management to monitor materials, orders, schedules, finished inventory goods, and other key factors that are important to managers.

The unsuccessful implementation of ERP in small businesses could be due to lack of adequate skills of employees or management (Nisula & Pekkola, 2012). To examine this issue, Nisula and Pekkola (2012) explored what kind of learning environment would help small to medium-sized businesses to develop skills to use an ERP system. Business owners participated in business simulations on a smaller enterprise resource planning system that: (a) assisted owners in problem solving, (b) decision management, (c) operating in a business environment, (d) information management, (e) intellectual ability, (f) critical thinking, (g) emotional intelligence, and (h) creativity. Nisula and Pekkola concluded that these simulations allowed small business owners to apply their knowledge in practice and take responsibility for determining solutions to emerging issues. Although the learning environment did not have a full evaluation, Nisula and Pekkola (2012) posited that the skills learned in the simulations met the skill requirements for business management in small businesses.

Users of an ERP system may face challenges if they lack understanding of the processes and steps for making changes to the system. Teittinen et al. (2013) stated that challenges happen when the key person using the system leaves the company. Another challenge posed by ERP systems is that users need to record accurate information before moving on to the next phase (Teittinen et al., 2013). An incomplete recording or a missed recording can stop the entire system. Therefore, all items must be in balance.

Open-source ERP systems are an alternative to traditional enterprise resource planning systems. Open-source software has become a viable means of producing ERP systems that is beneficial to small and medium-sized businesses due to reduced costs and increased adaptability (Olson & Staley, 2012). Using open-source systems enables modification of the functions and reports in the basic software (Olson & Staley, 2012). Even though open-source systems are a capable solution for small businesses, they still have limitations. The main limitation is that open-source software does not have the full feature functionality of major vendors' systems. However, Olson and Staley (2012) stated that for new small businesses, open-source ERP systems give businesses a software package to begin with and learn. As firms grow, implementation and knowledge of these systems will only benefit small business owners as they adopt full-featured ERP software.

Education, Training and Development for Small Business Owners

In prior research, authors posited that entrepreneurs' lack of education and training limit their business. Mano, Iddrisu, Yoshino, and Sonobe (2012) focused on the impact of management training for micro and small enterprises by conducting a training experiment. Mano et al. (2012) gathered data before and after the experiment, which consisted of three training modules: (a) entrepreneurship, business planning, and marketing; (b) production management and quality management; and (c) financial accounting record keeping and product costing. Mano et al. (2012) concluded that older participants did not complete the program because they perceived a lack of benefit from the training, as opposed to the younger entrepreneurs. A majority of the entrepreneurs did not keep financial records and illustrated a declining profitability trend. However, older entrepreneurs analyzed transaction records more frequently than younger entrepreneurs (Mano et al., 2012).

Financial illiteracy is widespread and severe among some demographic groups, especially those with low educational attainment (Lusardi, 2012). Lusardi (2012) focused on studies in the United States and other countries to describe the level of financial literacy. Lusardi administered surveys to individuals in two age groups: age 50 and older and ages 23–28. The survey consisted of three questions addressing percentage calculation, compounding interest, and division. The results indicated that adults aged 50 and older answered 80% of the percentage calculation correctly, and the age 23–29 group answered 79% correctly. Only 18% of the 50-and-older group correctly computed compounded interest, and only 65% of the 23–29 group answered that question correctly. Half of the 50-and-older group could correctly compute a lottery division; only 40% of the 23–29 group computed the lottery division correctly. Financial illiteracy in the adult population is a reason for concern (Lusardi, 2012). Lusardi recommended teaching financial literacy in school so that utilization can occur in the workplace and personal life. Financial literacy is a lifetime skill that is pertinent to operating in today's complex economic environment (Lusardi, 2012).

A business owner's technical and operational skills are a pertinent form of expert power that facilitates the implementation of a business's vision and strategy (Urban & Naidoo, 2012). Urban and Naidoo (2012) explored and tested the relationship between operational skills and small business sustainability. Developing skills and acquiring education can improve small business productivity (Urban & Naidoo, 2012). Urban and Naidoo stated that small business owners might benefit from targeted training to develop operational skills. A requirement of small business registration should be that potential small businesses must provide proof of operational skills training (Urban & Naidoo, 2012).

Worku (2014) conducted a 5-year study to identify and quantify key predictors of viability and long-term survival. Worku gathered data on a monthly basis from 349 small businesses on the following socioeconomic elements: (a) duration of operation, (b) level of education, (c) level of technical skills, (d) profit, and (e) access to training opportunities for business operations. During the 5-year period, 54% of the businesses failed, and 46% of the businesses survived. Based on the results, Worku concluded that the owners of 67% of the viable businesses possessed adequate entrepreneur skills, 77% possessed higher levels of technical skills, and 71% had a higher level of education than nonviable-business owners. Nonviable businesses include a past of bankruptcy (Worku, 2014). Worku found that the nonviable small businesses failed due to lack of entrepreneurial skills and inability to acquire relevant technical skills. Worku also found that the owners of failing small businesses lacked the ability to develop business plans, maintain financial record keeping, and obtain technical and vocational skills. Worku's recommendation is similar to that of Urban and Naidoo (2012). It is necessary to develop relevant, targeted skill-building programs to equip potential business owners with strategies and skills for leading and operating a successful small business.

Elmuti, Khoury, and Omran (2012) examined the impact of entrepreneurship education and training on skills that may be essential to a venture's success. Entrepreneur skills fall into three groups: (a) technical skills, (b) business management skills, and (c) personal entrepreneur skills (Elmuti et al., 2012). Technical skills are communication, technical management, and organization (Elmuti et al., 2012). Business management skills include planning, decision making, advertising, and accounting (Elmuti et al., 2012). Risk taking, persistence, and innovation are part of personal entrepreneur skills (Elmuti et al., 2012). The authors administered a survey to 170 entrepreneurs and prospective entrepreneurs in the United States to determine motivations for entrepreneurship, along with the factors that participants perceived as contributing to the success or failure of their business. Elmuti et al. identified entrepreneurial education, managerial skills, interpersonal skills, social competence, and training skills as the main variables that link to organizational effectiveness. Elmuti et al. concluded that entrepreneurial education and training created openness, trust, and confidence. They found causal linkages between entrepreneurial education, social competence, and skills training.

Many countries offer educational training or courses in accounting and finance. Kirsten (2013) conducted a study on financial management training courses and the impact on small business owners in South Africa. Record keeping, calculating future profitability, managing working capital, and tax compliance are key aspects in which small business owners require training (Kirsten, 2013). To survive, Kirsten stated, new small business owners should develop financial strategies that assist in short-term decision making to enable the development of financial strategies for long-term decision making. Training is a key intervention in developing skills (Kirsten, 2013). Kirsten used a quasi-experimental study to determine if the participants’ knowledge of financial management would improve after a training course. The results of that study indicated that 95% of the 43 small business owners participating in the training course improved their knowledge of record keeping, calculating profitability, managing working capital, and tax compliance. Kirsten concluded that most of the small business owners were satisfied with the training, but some felt they needed additional training or assistance.

Jindrichovska (2013) focused on three elements of financial management: (a) liquidity management and cash-flow management, (b) long-term asset acquisition, and (c) capital structure and cost of funding. Jindrichovska stated that poor financial management by small business owners was one the main problems of SMEs. Many small business owners do not have sufficient knowledge or interest for recording financial transactions or preparing financial statements (Jindrichovska, 2013). Jindrichovska argued that there are needs for additional knowledge about basic accounting concepts, through which small business owners can gain additional knowledge by attending workshops or other training in finance.

Employing a three-round questionnaire, Mirocha, Bents, LaBrosse, and Rietow (2013) studied the strategies small to medium-sized businesses used to develop leaders. Round 1 focused on what strategies the participants' companies used to develop leaders. In Round 2, the participants reviewed each other's answers and identified what the most important strategies were for the short-term (1–2 years) and long-term (3–5 years). In Round 3, the researchers asked the participants what the performance position was for their company in their industry and how important leadership development was to short-term and long-term business performance. The results indicated that 88% of the strategies identified over the three rounds were important and highly feasible for leadership development for the short and long-term. However, long-term leadership development was more important than short term. Mirocha et al. concluded that long-term leadership development provides growth opportunities that drive company performance in the long-term. Mirocha et al. concluded that developing leaders in small businesses should focus on (a) leadership strategy, (b) values, (c) targeted leader development, and (d) individual characteristics of a leader. Strategies established in these areas are initially for the short-term and sustained over the long-term (Mirocha et al., 2013). For long-term development, small businesses should focus on developing strategy, positive strategic leadership characteristics, and technical skills (Mirocha et al., 2013). Addressing these requirements, can help leaders adapt to new challenges and make complex decisions.

Many individuals seek education in technical schools. Exploring the pairing of technical skills and business studies is rare. Loras and Vizcaino (2013) explored how technical training is a key enabler in the success or failure of a business. Loras and Vizcaino focused on the feasibility of starting a new venture and the perceived image of an entrepreneur, in comparison with other professions, among university students. Participants perceived that creativity and innovation had characteristics inherent in their professions. However, many students had not considered starting a new venture. Loras and Vizcaino found that technical training was an enabler of creativity and an obstacle to a business initiative. Among the students in Loras and Vizcaino's study, 43% agreed that completing business-related training would be useful to their career. As the students found the subjects to be desirable, using entrepreneurial training for technically skilled students can be beneficial, (Loras & Vizcaino, 2013).

Chinomona (2013) examined the *direct* effects of small business owners' expertise on small business performance and the influence of employee skills training. In Chinomona's conceptual model, the small business owners' expertise was the predictor, and employees' skills training was the mediator. The single outcome variable was small business performance. Chinomona concluded that business owner expertise and small business performance had a strong, significant relationship; there was a positive relationship between business owner expertise and employee skills training, and a positive relationship between employee skills training and small business performance. Chinomona noted that entrepreneurs may deliberately fail to train employees because they fear that better-educated employees might challenge the way the business operates, or leave the company.

Taylor and Wagland (2013) focused on questions related to the Australian Government's financial literacy strategy, which was directed at schools from kindergarten to 12th grade. Before Taylor and Wagland's study, there had been no academic research on the possible effectiveness of teaching financial literacy at the school level in Australia (Taylor & Wagland, 2013). Taylor and Wagland conducted face-to-face interviews with 5,328 participants of the general public that focused on five dimensions: (a) managing money, (b) keeping track of finances, (c) planning ahead, (d) choosing financial products, and (e) staying informed about financial matters. Individuals might have skills in one or more areas but lack them in other areas. A majority of participants lacked skills in planning ahead; financial capability is lower where people are not forward looking (Taylor & Wagland, 2013). Individuals need to possess the knowledge and develop strategies to make informed financial decisions that will assist in building their long-term wealth (Taylor & Wagland, 2013). Taylor and Wagland recommended implementing professional development programs when individuals join the workforce. The programs could address strategies for wealth creation. Taylor and Wagland acknowledged that there is no one solution to increasing financial literacy; individuals need to change their financial literacy to meet the continuing complexity of their financial environment and decision making.

In some organizations, a majority of managers and owners view training in accounting as an expense, rather than an investment (Medina, Jimènez, Mora, & Ábrego, 2014). Medina et al. (2014) stated that despite their lack of training or accounting knowledge, some business owners think they have adequate personal skills to operate accounting software. The business owners believe they are making correct decisions, but their lack of skills has consequences (Medina et al., 2014). Without proper training on accounting software, false information may be present if the users are incompetent. Smith and Barrett (2014) investigated the use of an informal online discussion forum to encourage voluntary participation and promote *double-loop learning* by small business owners. Online discussion forums for small business owners support double-loop learning (Smith & Barrett, 2014), but there are challenges in engaging small business owners in formal training. Businesses' owners need to seek training programs that translate into gaining market niche, better customer relationships, and other financial and nonfinancial factors (Medina et al., 2014). For some business owners, training is not a priority (Smith & Barrett, 2014).

del Mel, McKenzie, and Woodruff (2014) examined two groups of female small business owners to determine the effectiveness of business training. del Mel et al. separated the groups by current businesses owners and aspiring business owners. The sample in del Mel et al.'s study included a group that attended training and a group that both attended training and received a grant. Training alone led to some changes in business practices but did not affect profits or sales (del Mel et al., 2014). However, the group that received both training and a grant had a significant but short-term improvement in business performance. del Mel et al. noted that the gains were lower approximately 2 years after training. del Mel et al. posited that training does not have an impact on the profitability of current businesses and is less effective for existing businesses.

U.S. accounting education does not always offer education in small business accounting. Burke and Gandolfi (2014) noted that most accounting education focuses heavily on large corporations and companies registered with the Securities and Exchange Commission. There is little to no attention to the needs of small and medium-sized businesses. Burke and Gandolfi surveyed certified public accountants about whether their education had provided sufficient coverage of small-business accounting. Of the participants in Burke and Gandolfi's study, 61% stated that their accounting education was not sufficient in the area of small business. The authors concluded that U.S. accounting education does not provide enough coverage of small business needs. According to respondents, it is beneficial to add specific courses in small business accounting and their needs, including partnerships, limited liability partnerships, and limited liability companies (Burke & Gandolfi, 2014). Instructors of such courses might be able to bridge the gap between accounting education and practical experience in small business.

Rahman, Yaacob, and Radzi (2015) developed a model of potential determinants of effective financial risk management in small businesses and how financial risk management can help small businesses succeed. In Rahman et al.'s (2015) theoretical model, the authors included specific variables such as leadership, training programs, use of technology, entrepreneurship orientation, and accounting information. Educating small business owners on the significance of having effective financial risk management in business might resolve the gap between accounting theory and its practice (Rahman et al., 2015). Some business owners decline to use accounting techniques, even though there are advantages to applying concepts of accounting theory (Rahman et al., 2015). Comprehensive accounting information could lead a small business to a better state, as business owners and managers can use accounting information to identify possible threats regarding financial risk, which business owners face periodically (Rahman et al., 2015).

Outside professionals often watch businesses fail due to the owners' failure to understand and employ financial concepts (Frampton, 2015). Small businesses may struggle to survive if they cannot differentiate between profit, turnover, and cash (Frampton, 2015). Frampton (2015) explained that accounting education for business owners could enable them to interpret complex financial statements that would otherwise be impenetrable to the inexperienced eyes. Also, Frampton stated that the business owners who understand basic accounting principles maintained their finances and their business better.

Transition and Summary

Section 1 contained the business problem, method, and design I used for conducting my study. A comprehensive review of literature illustrated the need to explore efficacious accounting strategies for small businesses. Section 2 provides an overview of the qualitative multiple-case study design I chose, the sampling technique, steps in the data collection process, and measures for assuring the reliability and validity of my study. Section 3 concludes with a presentation of the findings and recommendations.

Section 2: The Project

The target group for this qualitative multiple case study was owners of small business family law firms in West Chester, Pennsylvania. I interviewed participants using semistructured interview questions. Section 2 contains the purpose statement and details regarding the (a) role of the researcher, (b) participants, (c) research method, (d) research design, (e) population and sampling, (f) ethical research, (g) data collection instruments, (h) data collection technique, (i) data organization technique, (j) data analysis, and (k) reliability and validity.

Purpose Statement

The purpose of this qualitative multiple case study was to explore the accounting strategies small business family law firm owners use to succeed in business beyond 5 years. The population for this study was three small business owners of family law firms located in West Chester, Pennsylvania, who have achieved and maintained profitability of their businesses for a minimum of 5 years. The resultant findings, conclusions, and recommendations may contribute to social change by increasing the success rates of existing and aspiring small business family law firm owners, and thereby provide increased employment and economic health within the community.

Role of the Researcher

In a research study, the role of the researcher includes data collection, data organization, and data analysis (Collins & Cooper, 2014). My role as a researcher was to choose the applicable methodology and design, locate prospective participants, gather data, and evaluate the data. I conducted semistructured face-to-face interviews and collected documents, such as a chart of accounts, from successful small business family law firms as secondary data sources. A researcher must maintain ethical standards throughout the research process to preserve the meaning and purpose of the research (Akhavan, Ramezan, & Moghaddam, 2013). The Belmont Report (U.S. Department of Health and Human Services, 1979), which was written by the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research Subject of Research, defines ethical standards and guidelines for protection of humans. As the researcher, I followed the ethical standards and guidelines set forth by the Belmont Report.

I have been the owner of a small business legal accounting firm in Pennsylvania for the past 8 years, which is why this topic was of interest to me. My experiences with small business family law firms could benefit the research study. During my professional career, I have witnessed many small business family law firms struggle with cash flow within the first 3 years of opening, while longer practicing small business family law firms thrive through economic crisis and maintain profitability.

To reduce bias, the researcher may participate in epoché, a suspension of judgment to bracket judgments about phenomena of the study (Moustakas, 1994). Leedy and Ormrod (2013) stated that researchers who conduct a qualitative study must attempt to reduce researcher error and bias. To mitigate bias, I controlled my reactions to responses during the interviews and acknowledged (via field notes) my thoughts during the data collection process to help identify biases that affected my interpretations. During the interviews, it was necessary to follow the same interview protocol (see Appendix B) with each participant. Interview protocols facilitate reaching unity, consistency, and reliability during the entire interview process (Foley & Conner, 2013).

Participants

The participants for the study were small business family law firm owners in West Chester, Pennsylvania, who have been in been in business for over 5 years and are at least 18 years of age. For classification as a small business family law firm in this study, the target population must have had less than $11 million in annual gross receipts. Before contacting potential participants, I obtained approval from Walden's Institutional Review Board (IRB) to ensure ethical conduct and avoid violations of human rights.

To access the target group, I used the Chester County Bar Association (CCBA) directory. The CCBA directory provided the addresses, phone numbers, and e-mail addresses of lawyers practicing in Chester County, Pennsylvania. The listings provided by the CCBA directory also included a short profile that indicated which area(s) of law the attornies practice; some profiles indicated how long the attornies had been in practice. The listings were available to the public through the CCBA website or in person at the CCBA office located in West Chester, Pennsylvania. I also used the snowball sampling technique. Snowball sampling is a recruitment technique in which participants are encouraged to refer names of others who may be a good fit to participate in the study (Perez, Nie, Ardern, Radhu, & Ritvo, 2013). The snowball sampling method ensured each participant provided information valuable to the study (Suen, Huang, & Lee, 2014).

To establish a relationship with the participants, I contacted small business family law firm owners via telephone and provided a short introduction, described the intent of the study, and outlined participation criteria. I hand delivered a consent form to the small business family law firm owners who agreed to participate before the interview (see Appendix A). A researcher should ensure the comfortability of the participant (Rowley, 2012). During the interview, I ensured that the participants were comfortable by conducting the interview in the participants' offices.

Research Method and Design

To generate an understanding of a phenomenon, researchers can choose from three types of research methods: (a) qualitative, (b) quantitative, and (c) mixed method (Makrakis & Kostoulas-Makrakis, 2016). Researchers use numerical data in quantitative methods to explain phenomena (Petty, Thomson, & Stew, 2012). After reviewing the research methods and research designs, I concluded that a qualitative case study design was the best fit to address the research question for my study. The qualitative case study is a rigorous methodological path (Yin, 2014).

Research Method

I used a qualitative research method because my objective was to learn from the experiences of participants who have the necessary accounting strategies to remain successful beyond 5 years. A qualitative method incorporates four elements: (a) interview, (b) data analysis, (c) quality check analysis, and (d) a synthesis of literature to understand the phenomenon (Holt & Goulding, 2014). The focus of qualitative research is to identify and explore experiences of participants (Venkatesh et al., 2013). Quantitative and mixed-method designs were not suitable for this study because I did not measure data. A qualitative research design was a beneficial approach to gain knowledge from the experiences of participants (Kavoura & Bitsani, 2014) and to identify what accounting strategies small business family law firms use to succeed beyond 5 years.

Research Design

Qualitative research designs include ethnography, phenomenology, grounded theory, narrative research, and case study (Petty et al., 2012). Case study research is suitable for exploring areas where current knowledge is minimal or limited (Yin, 2014). In a case study, researchers retain a holistic and real-world perspective by studying organizational and managerial processes and maturation of industries (Yin, 2014). The holistic and real-world perspective was the reason I selected a case study design. An ethnographic design was not appropriate because studying a group or culture was not the purpose of this study. Phenomenology was not suitable because I was not exploring the lived experiences of small business family law firm owners. Researchers use grounded theory to discover new theories (Jorgensen et al., 2012), which was not the purpose of this study. Narrative researchers highlight the lifelong stories of individuals (Safari & Thilenius, 2013), which did not align with the purpose of my study.

Case study researchers may choose to conduct a single or multiple case study (Verner & Abdullah, 2012). Qualitative case study researchers also explore events over an extended period. Additionally, case study research is most appropriate when a researcher is conducting assessments, reviewing the phenomenon in a natural situation, or determining the *what* or *why* of something that has occurred (Yin, 2014). Researchers who use a descriptive case study identify strategies and procedures for possible further exploration or examination in a subsequent study (Yin, 2014). I used a descriptive case study design to explore the accounting strategies small business family law firm owners use to succeed in business beyond 5 years.

Orobia et al. (2013) conducted a multiple-case study about accounting and small businesses to reach data saturation. Data saturation occurs when the data are repetitive, no new information is obtainable through data collection, and fresh data does not lead to additional findings (Bowen, 2008; O'Reilly & Parker, 2013). To achieve data saturation, I continued to interview participants and collect documents until no new data or themes emerged and I was confident that data saturation was empirically evident.

Population and Sampling

The population for the study was small business family law firm owners located in West Chester, Pennsylvania, with a minimum of 5 years of business ownership whose businesses had less than $11 million in gross profits. The small business family law firms kept financial records in either a handwritten general ledger or a computer system with identification of a chart of accounts. The CCBA directory and local business listings provided me contact information for prospective participants. There are approximately 2,071 businesses in West Chester, Pennsylvania; 94 are law firms (U.S. Census Bureau, 2014).

Ng and Harrison (2013) conducted a similar case study, which focused on accounting in small businesses. I selected three small business family law firm owners for this qualitative multiple case study to determine accounting strategies they used to survive beyond 5 years. Researchers recommend various sample sizes for case studies, but there is no set sample size for qualitative research; instead, the focus is on gathering sufficient data to meet research objectives (Yin, 2013). The low number of participants in my multiple-case study enabled an extensive investigation.

I began my search for participants by obtaining a directory from the CCBA and engaged in purposive sampling. Purposive sampling included choosing participants who had in-depth knowledge of the phenomenon (Marshall & Rossman, 2014). Then I used a snowball sampling technique to seek out other participants. Snowball sampling is a recruitment technique in which participants are encouraged to refer names of others who may be a good fit to participate in the study (Perez et al., 2013). My selection of potential referred participants was in accordance with their experience relevant to the study (Chou & Pearson, 2012).

A mix of a small sample size accompanied by open-ended semistructured interview questions, documents, and observations with field notes ensured a comprehensive collection of information for the study. My use of data or theme saturation assured the quality of the research (O'Reilly & Parker, 2013; Yin, 2013). Researchers conducting a qualitative study may benefit from a small sample size because of the potential to access more comprehensive, detailed information about the phenomenon (Trotter, 2012). Using a sample size of three participants and assuring data saturation was sufficient to accomplish my purpose in this study.

Researchers may benefit from introducing additional participants to the study until there is a redundancy of data, which indicates data saturation (Marshall, Cardon, Poddar, & Fontenot, 2013). Evidence of data saturation is evident when there is a lack of emergent findings from new data (Houghton, Casey, Shaw, & Murphy, 2013). I continued to interview the three participants and collected documents until no new data or themes emerged.

Interviews took place at the participants' business locations, behind closed doors to ensure comfort and confidentiality. When participants are in a comfortable setting, they may be more willing to share sensitive information (Deakin & Wakefield, 2014). During the interview, the participant had my undivided attention. I refrained from showing any emotion or sharing personal opinions.

Ethical Research

After receiving approval number 04-13-16-0496343 from the Walden University IRB, I selected potential participants for the study based on the previously indicated criteria, and made contact with recruits. I provided every participant a consent form that offered a short explanation of the study, participant criteria, confidentiality of the study, and my contact information (see Appendix A). I asked participants how they preferred to receive the consent form (i.e., e-mail, hand delivery, or postal delivery), and followed the ethical responsibilities outlined by Rubin and Rubin (2012; i.e., to show respect, maintain commitment, and confirm there was no harm or stress to participants.)

Participation in this study was strictly voluntary and without incentives. I informed participants of their right to withdraw from the study at any time by contacting me by e-mail or telephone. I did not use names in my study to ensure the confidentiality of the participants. Previous researchers have used coding to label participants (Carlström & Ekman, 2012) as Participant 1, Participant 2, and so on. I followed suit, and chose to label the participants as Participant 1, Participant 2, and Participant 3. The collected data will remain in a locked, fireproof safe for 5 years to protect the privacy of participants. To protect the identities and individual rights of all participants, data collected during the research process will remain in my possession for a minimum of 5 years.

Data Collection Instruments

I was the primary data collection instrument in this study. The most appropriate instrument for qualitative research is the researcher striving to attain understanding and promote awareness throughout the interview process (Krauss & Peredaryenko, 2013). The effectiveness of qualitative research is dependent on the skills of the researcher to comprehensively and adequately collect data (Hynes, 2012). Semistructured interviews allow the researcher to use open-ended questions, with the benefit of asking follow-up questions to obtain further explanation and additional responses. I conducted my research using semistructured interview questions (see Appendix B), along with document collection that consisted of a chart of accounts.

I followed the protocol for ethical protection of participants from the Belmont Report (U.S. Department of Health and Human Services, 1978) regarding: (a) boundaries between practice and research, (b) basic ethical principles, and (c) applications. I also followed the ethical interview protocols identified by Jacob and Furgerson (2012) which include (a) obtaining IRB approval, (b) collecting consent, (c) recording the interview, (d) staying focused, and (e) listening during the interview to develop follow-up questions. My objectives during data collection was to present accurate findings, maintain confidentiality of the participants, and remain ethical at all times.

Researchers must take the necessary steps to mitigate bias (Leedy & Ormrod, 2013). To reduce research bias, I diminished my personal views and recognized the existence of bias. The goal was to hear and interpret the experiences and reflections from the participants about the phenomena. I remained consistent to ensure reliability by identifying the procedures, reviewing the consent form with the participants, and following the interview question guide (see Appendix B). Member checking is a technique used to assure research validity (Harper & Cole, 2012). To conduct member checking, I wrote my interpretation of the data and presented my analysis to the interviewees to verify the accuracy of their meanings.

Data Collection Technique

I used predetermined interview questions and audio recording with three participants who are small business family law firm owners who have been in the same business over 5 years. First, I searched through the CCBA directory and singled out family law attorneys. I then contacted them via telephone or e-mail to introduce myself, review the background of my study, and address any questions. The introduction also built rapport (Barrick et al., 2012) to facilitate employing the snowball technique. Next, I asked the business owners if they would like to participate in a study. If the business owners agreed, I set up an interview with each participant in their office. A location familiar to the participant will promote a comfortable interviewing environment (Scheibe, Reichelt, Ballman, & Kirch, 2015). Participants must be informed about the interview process (Jensen, Ammentorp, Erlandsen, & Ording, 2012). At the beginning of the interview I provided an overview of the study and reviewed the consent form to ensure that participants were aware of and comfortable with the interview process. Each interview was audiotaped and transcribed to support accuracy (Simola, Barling, & Tuener, 2012), and the participant received a copy of the transcribed interview for review. I am keeping all data locked in a fireproof safe for 5 years. After 5 years, I will destroy the data. A pilot study does increase the likelihood of a good study design but does not guarantee success in the main study (Van Teijlingen & Hundley, 2002). I did not conduct a pilot study since it did not guarantee success in my study.

The advantage of face-to-face interviews is that they provide a maximum degree of communication and interaction between the researcher and participant (Cardamone, Eboli, & Mazzulla, 2014). Face-to-face interviews are associated with obtaining quality data (Cardamone et al., 2014). Another benefit of face-to-face interviews is that the researcher can observe behaviors and nonverbal cues (Irvine, Drew, & Sainsbury, 2013). There are also disadvantages with face-to-face interviews. Potential disadvantages are bias of the interviewer, cost per respondent, geographic limitations, and time constraints on respondents (Szolnoki & Hoffman, 2013). For the purpose of this case study, the advantages of face-to-face interviews outweighed the disadvantages.

Data Organization Techniques

Proficient organization of data allows appropriate storage of data and investigation for communication (Korhonen, 2014). Transcription, coding, and organization of data helps researchers identify reoccurring themes (Elo et al., 2014). During the interviews, I used a recording device and took notes. I transcribed the interviews into textual data using Dragon software. I also listened to the audiotape while reviewing the transcription to assure accuracy. My goal was to have all interviews transcribed within 36 hours after the interview. I created a filing system for all paperwork, including consent forms obtained from the data collection. I labeled participants as Participant 1, Participant 2, and so on. I password-protected raw data on a USB drive. I created a Microsoft Excel file to organize research notes, participant responses, and common themes. Creating a database enabled verification of data (Camfield & Palmer-Jones, 2013). The audio recording along with written and transcribed data provided confirmation that I adhered to ethics and my interview protocol. All data remains in a fireproof safe for 5 years. After 5 years, I will destroy all data and recordings.

Data Analysis

The purpose of analyzing textual data is to explore the meaning of the content (Lawrence & Tar, 2013). I used the answers from the interview questions in data analysis after the participants reviewed the transcripts (see Appendix B). I used Microsoft Excel to create a database for organization consisting of participants, research notes, participant responses, and common themes. I organized answers by labeling them with participant numbers and themes. Also, I used the NVivo software with my Excel database to ensure all themes and patterns were recognized. NVivo allowed a detailed analysis of specific topics; once information was coded, NVivo delivered a methodical process in research, for assuring validity and reliability (Zapata-Sepúlveda, López-Sánchez, & Sánchez-Gómez, 2012).

I used methodological triangulation to assure the validity of the findings addressing the research question. Methodological triangulation during data analysis enhances the credibility of the interpretation (Van Dijk, Vervoort, Van Wijk, Kalkman, & Schuurmans, 2015). I used the interview responses along with the business documents provided by the participants. The documents included a chart of accounts used in categorization for record-keeping. The data analysis entailed an additional review of the literature along with any newly published articles to identify the extent of correlation with and differences from existing literature.

Reliability and Validity

From the viewpoint of validity, it is imperative to report how the researcher generates results (Elo et al., 2014). Readers of a study should be able to follow the analysis, results, and conclusions (Schreier, 2012). There are four criteria for evaluating the dependability of qualitative research: credibility, confirmability, dependability, and transferability. Credibility refers to systematic, in-depth research that yields high-quality data (Elo et al., 2014). Confirmability refers to the quality of results and the confirmation of the results by the participants (Elo et al., 2014), which can be done by member checking. Dependability is demonstrating the finding's validity through peer examination, triangulation, and replication (Funder, Levine, Mackie, et al., 2013). Transferability refers to the ability of other researchers to generalize a study's results (Elo et al., 2014). The following headings address the concepts and means I employed for assuring the reliability and validity of my study.

Reliability

Dependability and consistency are pertinent to qualitative research (Hess, McNab, & Basoglu, 2014). Reliability is when data collection and analysis are consistent and free from inaccuracies (Hess et al., 2014). Bias from the researcher can negatively affect the reliability of the research (Sepehr & Kaffashpoor, 2012). Member checking is a method to assure reliability and validity. Internal consistency is another measure of reliability. Internal consistency assures evaluation methods are appropriate for the study (Torrance, 2012) and may be the most critical phase of evaluating reliability (Narayanan, Greco, Reeves, Matthews, & Bergin, 2014).

I followed the interview protocol for every participant to make sure the structure of data collection and analysis remained the same. I assessed the consistency of participant answers for identification of participant responses that may have contained new information (Aust, Diedenhofen, Ullrich, & Musch, 2013). I also used multiple data sources such as interviews, business documents, and observation of participants (i.e., nonverbal cues) that assured reliable findings and conclusions.

Validity

Validity is critical in qualitative research as it is a key element of quality (Oluwatayo, 2012). Through member checking, the participants in this study evaluated the integrity of the findings to assure accuracy and credibility (Elo et al., 2014). External validity (transferability) in qualitative research is evident through providing other researchers with thorough descriptions of a study's processes, participants, and environment, by which they can determine a study's relevance to their research problems

(Brysiewicz & Erlingsson, 2013). Member checking is a way to validate results and conclusions in qualitative research (Harper & Cole, 2012).

I used member checking to validate the correctness and understanding of the information, and incorporated probing questions to encourage further explanation or clarification of topics. In addition to the interviews, I used methodological triangulation data by collecting documents such as a chart of accounts from the participants to aid in achieving data saturation.

Transition and Summary

Section 2 consisted of information on participants, along with research method and design to justify the structure of the study. Literature supported the sampling method followed by a discussion on ethical research. Section 2 concluded with a comprehensive overview of instruments and techniques in data collection, as well as data organization and analysis. I also discussed methods to assure reliability and validity. Section 3 includes the presentation of findings, application to professional practice, and recommendations for using the findings for small business family law firm owners to support success and growth.

Section 3: Application to Professional Practice and Implications for Change

Introduction

The purpose of this qualitative multiple case study was to explore the accounting strategies small business family law firm owners use to succeed in business beyond 5 years. All three participants had at least a minimum understanding of basic accounting and record keeping from taking appropriate accounting courses in college. The participants worked with professionals for advice, or maintained internal accounting records. Two of the participants had an internal bookkeeper to maintain accounting records while one participant maintained accounting records in a written journal. Appropriately categorizing expenses and keeping meticulous records was common among the participants. The use of financial reports from proper accounting record keeping helps the participants make business decisions and complete tax returns. Ethical standards were a major factor when it came to billing clients and maintaining unearned income. Participant 1 and Participant 2 mentioned that the ethical standards separate the accounting strategies of small business family law firm owners from other business owners.

Presentation of the Findings

The overarching research question was: What accounting strategies do small business family law firm owners use to succeed beyond 5 years? Certain findings confirm results from the literature review. Other findings extend knowledge in the field and generate opportunities for future research. The five themes I identified from the data collection were (a) having or obtaining at least some formal accounting education, (b) working with a financial professional, (c) categorizing expenses and using formal financial reporting, (d) developing and maintaining ethical standards of billing and unearned income, and (e) using accounting software. Four out of the five themes that I identified in this study had also been identified in articles that I have reviewed in Section 1.

Theme 1: Have or Obtain Some Formal Accounting Education

The importance of accounting education and training was marked prominently in interviews with all three participants. Accounting can be learned, and there is a need for programs to equip young people and entrepreneurs to manage new businesses (Pérez-López, González-López, & Rodríguez-Ariza, 2016). All participants took accounting courses in college, before starting law school. The participants believed that their college accounting courses had some effect on their accounting strategies. Participant 1 had accounting experience with bookkeeping for self-employed persons before starting their small business family law firm. Participant 2 and Participant 3 had less knowledge than Participant 1, but having basic accounting education from college facilitated their understandings of cash flows. When asked about accounting strategies and financial literacy for small business family law firm owners, Participant 2 mentioned that they should be educated in accounting, and that there are classes for those who need it. The findings are similar to those of Carsamer (2012) who explained that to improve financial management, business owners may seek training in accounting for recording financial transactions and separating bank accounts.

The theme of having or obtaining some formal accounting education relates to the conceptual framework of financial literacy theory and the leadership skill model. With business financial literacy, small business owners may understand basic financial statements, identify inaccurate accounting records, and use information to assess internal and external business strategies (Eresia-Eke & Raath, 2013). The basic accounting education that the participants gained from college increased their financial literacy, enabling them to develop accounting strategies. The participants increased their skills to become effective business leaders, which coincides with the leadership skill model, given that the participants took accounting courses in college. The participants' college accounting education enabled them to develop and enhance their knowledge, abilities, and skills. Fruhen et al. (2014) concluded that increasing knowledge may help business owners improve their leadership abilities. An increase in accounting skills and education can help individuals make better decisions and develop better strategies (Altman, 2012). When small business family law firm owners make sound business decisions and develop an appropriate accounting strategy, the chance of accounting fraud is decreased as the business owner will be able to identify financial transaction anomalies.

Theme 2: Work with an Accounting Professional

Accounting services also help in proper record keeping (Nwobu, Faboyede, & Onwuelingo, 2015). When all three participants started their small business family law firm, they each did their own accounting. Participant 3 explained that during the first year in business there were pieces of paper everywhere, and at the end of the year they did not have basic understanding of their income and expenses. Participant 3 reported relying heavily on their accountant to make sure the accounting is correct. When Participant 1 and Participant 2 opened their small business family law firms, they maintained their accounting records in a written journal. As the firms grew and became more complex, both hired experienced internal bookkeepers to take charge and help the firms adopt an appropriate accounting strategy. Participant 1 and Participant 2 only relied on an accountant for year-end tax purposes. Utilizing an accounting professional relates to Blair and Marcum's (2012) findings that business owners should seek expert help and supply reliable financial information to experts. Participant 2 stated that small business owners should hire a professional so that they have somebody with expertise to "lean on." Participant 1 emphasized that it is essential for small business family law firm owners to work with an experienced professional to ensure the proper accounting strategy is adopted and maintained.

Under the leadership skill model, appropriate leadership is essential for mobilizing resources toward the fulfillment of the organizations' objectives (Antonakis & House, 2014). The participants demonstrated leadership in obtaining professional resources to fulfill their accounting strategy objectives when the work was beyond the small business family law firm owners' capabilities. Participant 2 and Participant 3 strongly encouraged other business owners to hire an accounting professional. Small businesses can improve their operations by engaging the services of professional accountants (Semiu Babatunde, Sunday, & Ini Etete, 2015). An accounting professional can provide the advantage of maintaining ethical records for reporting purposes and offer advice as the small business family law firm grows. As noted by Participant 1, ethical accounting records can reduce the chance of an audit of the small business family law firm's accounting records, and decrease the risk of a malpractice lawsuit.

Theme 3: Categorizing Expenses and Using Formal Financial Reporting

Record keeping contributes to business success (Halabí & Lussier, 2014). All three participants mentioned that record keeping by categorizing expenses was an important accounting strategy. Participant 1 stated that they review expenses every year to determine the appropriate level of financial resources required to operate successfully. Participant 1 also stated that small business family law firm owners need to understand that there is money going out and that they need to know what the money going out is for. Participant 3 explained that they keep a written journal of all categories of expenses such as rent, supplies, and utilities.

Expense categorization appeared on the profit and loss statement that each participant used to prepare income taxes and assess income throughout the year. For document review, I obtained charts of accounts that list every category included in the profit and loss statements of each business. Participant 1 explained that they use a profit and loss statement to review all accounting information in case a category changes. Participant 2 stated that the profit and loss statement is a valuable tool that helps them make business decisions and determine income on a monthly basis. Sound accounting bookkeeping leads to sound preparation of financial statements, which in turn serves as tools small business owners can use to monitor and analyze their business for financial performance (Agbemava et al., 2016). The quality of the financial information has a positive influence on the decisions of its users (Deaconu, 2015). Participant 1 stated that financial statements (e.g., profit and loss statements) help small business family law firm owners understand how much they can afford to pay employees, how much money the owners may pay themselves, and whether or not the owners can afford to advertise. Participant 1 continued the conversation by stating that trying to run a business is almost impossible without an understanding of appropriate expense categorization and the use of financial statements. Padachi (2012) confirmed the importance of proper expense categorization and financial statement monitoring, noting that managers who do not have adequate financial strategies and knowledge may be missing key financial indicators to use monitoring tools.

Dahmen and Rodriguez (2014) recommended that small business owners master financial literacy to understand their financial statements. By adopting an efficacious accounting strategy, small business owners can reproduce financial information about financial transactions and accurately reflect the financial position of their business (Eresia-Eke & Raath, 2013). The accounting strategy theme of expense categorization and financial statements directly ties to existing literature (e.g., Quinn, Amoako) in that small business family law firm owners will be able to use the strategy to make sound financial business decisions that encourage business success.

Theme 4: Developing and Maintaining Ethical Standards of Billing and Unearned Income

One of the major differences that separates small family law firms from other businesses, especially other areas of law practice, is that family law firms must bill clients on an hourly rate. Participant 1 stated that small business family law firm owners are not allowed by the Code of Ethics (Pennsylvania Interest on Lawyers' Trust Account Board, 2016) to charge a contingency on a case. For example, a family law attorney cannot get a percentage of the amount settled in a divorce case. Participant 3 explained that what small business family law firm owners are allowed to withdraw from the business is a function of the amount of time they work, the hourly rate they bill, and their ability to collect it. Participant 2 stated that family law firm owners need to be strict in record keeping as to when funds come in, when they go out, and how they go out.

All three participants collected an initial client retainer, which is considered *unearned income*. Participant 2 explained that retainers are funds advanced to the family law firm by the client for the attorney to do work on their behalf, and ethically the family law firm can only withdraw the funds after work is complete. Each participant maintained retainer funds in a trust account, a separate bank account from their income and expense account, and meticulously recorded the financial transactions separately. Participant 1 stated that the separation of bank accounts maintains accuracy and complies with standards set by the Interest on Lawyers Trust Accounts (IOLTA) Board. The strict adherence to record keeping of unearned income coincides with Mutua's (2015) findings that successful business operators are aware of every transaction accruing from their business, and hence are in a better position to control loss.

The participants' compliance in billing structure and strict monitoring of unearned income relates to underlying concepts in financial literacy theory. Financial literacy theory facilitates the decision-making process for developing accounting strategies for accounting record keeping and credit management (Siekei, Wagoki, & Kalio, 2013).

Small business family law firm owners account for advanced funds, deposit and record the funds in the appropriate account and category, and only withdraw the funds after calculating client bills. As small business family law firm owners track billable hours, they can estimate how much of the unearned income will become income, based upon their billable hourly rate. Each participant explained that they monitored their billable hours on a daily basis to determine if they can meet the monthly expenses. The accounting strategy for ethical billing and unearned income tracking enables a small business family law firm owner to set goals and determine what they need to do to reach those objectives. Participant 1 explained that the retainer makes the accounts receivable more foreseeable when they know they have money in the IOLTA account that they pull from when their bill is due. Keeping track of income, both earned and unearned, was mentioned by Participant 3 as a crucial accounting strategy. Keeping track ensures ethical and legal compliance with the IOLTA Board and the Internal Revenue Service.

Theme 5: Using Accounting Software

Small business owners may choose to rely on simplified financial accounting software to maintain accounting records. Participant 3 did not use software due to privacy reasons, but maintained a written accounting ledger and checkbook register and stated that accounting requires a significant amount of time. Arcega et al. (2015) indicated that manual accounting is more time consuming than the computerized accounting system. Participant 1 and Participant 2 used QuickBooks software to maintain their accounting records. QuickBooks has the capability to create financial statements and is adjustable for the accounting method of the business, whether accrual or cash basis (Schiff & Szendi, 2014). The chart of accounts was quickly generated by Participant 1 and Participant 2 from their QuickBooks software and allowed easy access to the categorization of their accounts. Participant 1 explained that there is a quick turnaround when generating the profit and loss statement in QuickBooks. Arcega et al. (2015) posited that computerized accounting systems create better and accurate computations, smart solutions and results and provide a better internal control system. Arcenga et al. suggested that personnel can attend training and seminars to enhance their proficiency in using different accounting software systems.

The findings from Participant 1 and Participant 2 are relevant to the leadership skill model in that each developed their skills to include learning new accounting software as their business became more complex. Participant 1 learned QuickBooks as computerized accounting software became relevant throughout the years. Participant 2 learned basic functions of QuickBooks from an in-house bookkeeper, to find various financial transactions in the system, and peruse the balance of bank accounts. After observations of Participant 1 and Participant 2 navigating their accounting software, Participant 1 illustrated a higher skill set with QuickBooks. Arcenga et al. (2015) indicated that when using computerized accounting systems, the respondents can finish their jobs accurately and enhance quality and quantity of their work. Small business family law firm owners who utilize accounting software can spend more time focusing on their clients and generate revenue, and less time on manual accounting.

Applications to Professional Practice

The results of this study provided common accounting strategies of small business family law firm owners. These accounting strategies help small business family law firm owners maintain ethical standards and tax compliance, and provide opportunities to focus more on clients, instead of administrative accounting tasks. The specific business problem was that some small business family law firm owners lack accounting strategies to succeed in business beyond 5 years. Lack of financial literacy may hinder the ability to make well-informed financial decisions (Collins, 2012). The results of this study may provide a solution concerning what actions a small business family law firm owner should take to develop appropriate accounting strategies to increase business performance.

Many new small business family law firm owners may only have knowledge of family law, and lack the knowledge of accounting needs to sustain a business. I confirmed that basic knowledge in accounting and increasing financial literacy was necessary to develop and employ a successful accounting strategy for small business family law firm owners to survive beyond 5 years. Lusardi (2012) recommended teaching financial literacy in school so that utilization can occur in the workplace and personal life. Basic accounting training and education are available via college courses or classes offered to the public. Investing in the development of skills and seeking professional assistance is pertinent to small business law firm survival. Ezejiofor et al. (2014) found that accounting records contribute significantly to the performance of small businesses, and proper record keeping generates timely decision making to enhance company performance. Identification of relevant themes in accounting strategies can help increase the success of small business family law firm owners.

Implications for Social Change

The results from this study may contribute to positive social change if the findings lead to improving the business practice in small business family law firms and increase the quality of life within the businesses' communities. The implications for social change will ensue if the failure rate of small business family law firm owners' declines. Positive social change is possible by increasing the opportunity for sustainable business. Small business family law firm owners could benefit, as well as new attorneys aspiring to start their small family law firm, and individuals seeking the legal representation of a family law attorney. Integral benefits of this study may extend to the legal industry, small business owners, and entrepreneurs. The results of this study may provide small business family law firm owners with insights for developing and implementing accounting strategies that catalyze business success.

The findings from this study may enhance small business family law firm owners' knowledge about basic financial record keeping and for developing accounting strategies to improve their chance of business survival. Appropriate accounting strategies of small business family law firm owners can contribute to positive effects on the community as successful small businesses boost the economy (Shukla & Skukla, 2014).

Recommendations for Action

The purpose of this study was to explore what type of accounting strategies small business family law firm owners use to succeed in business beyond 5 years. Numerous recommendations for small business family law firm owners stemmed from the results of the study. Based on the results of the study, implementing an appropriate accounting strategy is pertinent to small business family law firm success. First, as necessary, the small business law firm owner should increase their knowledge and skill set of basic accounting through courses offered to the general community, or at a local college. Hiring a professional, such as a bookkeeper or an accountant can benefit small business family law firm owners. A professional will have knowledge in the field of accounting, and free up time for the family law attorney to focus on their clients. A professional will be able to categorize expenses and unearned income, to produce the necessary financial reports that aid in making business decisions, and the financial status of the law firm. Small business family law firm owners should maintain separate accounts for client retainers and record and classify those funds as unearned income to avoid audits from the IOLTA board. Small business family law firm owners, who still use manual accounting, should switch to computerized accounting software. Accounting software is more effective and less time consuming than manual accounting. When more time is spent working for clients, less time is spent on mundane accounting tasks, which can result in increased billable hours that generate increased income for the family law firm.

The individuals who need to pay attention to these results are new family law attorneys preparing to start their own small business. There are items for an aspiring small business family law firm owner to consider, such as small business failure rates, opening a law practice without inadequate preparation, and the difficulty of developing an appropriate accounting strategy. Therefore, family law attorneys who intend to start a small business should understand ethical guidelines and practices.

The appropriate administrators of the Chester County Bar Association, SCORE of Chester County, and the SBA, Eastern Pennsylvania District, are the most appropriate agencies to disseminate the results to all existing and prospective small business family law firm owners. I also recommend that the Chester County Bar Association include the results in their yearly conferences or seminars. SCORE of Chester County should include the results in their local training programs and counseling.

Recommendations for Further Research

I used a qualitative multiple-case study to explore what accounting strategies that small business family law firm owners use to sustain their business beyond 5 years. The findings provide a solid basis for future research. Further research may expand the geographical location outside of West Chester, Pennsylvania, which was a delimitation of this study. A quantitative method will be useful for future research to measure the accounting and financial knowledge of small business family law firm owners. Another limitation of this study is that the focus was on small business family law firm owners. A comparative study between small business family law firms and law firms practicing in other areas may increase the understanding of differences in accounting strategies and practices. Furthermore, future researchers should focus on family law firm attorneys who have an interest in starting their law practice and recently obtained their law degree. The researchers can focus on what accounting competencies new attorneys possess compared to experienced small business family law firm owners.

Reflections

The academic journey of Walden University's Doctorate of Business Administration (DBA) program has been challenging and rewarding. At the beginning of the program, I was enthusiastic about my coursework but had many changes regarding the topic of my doctoral study. I am encouraged to pursue a career in online education from my experiences at Walden. During my academic career at Walden, since my academic success did not go unnoticed, I took on a leadership role of my classmates, encouraging them, answering questions, and explaining assignments. The faculty at Walden had high expectations of my work, and I worked hard to deliver high-quality assignments, discussion posts, and research papers. The support and encouragement from the faculty at Walden along with my colleagues will remain with me for years to come.

The phenomenon of accounting strategies of small business family law firm owners is of personal interest. I am a legal accountant to some small business family law firm practices. Some firms have been in business over 20 years while others are new small family law firms. After meeting with doctoral faculty at Walden to explain my professional experience, it was evident that there was limited knowledge of accounting strategies with new small business owners. Shortly thereafter, I identified the business problem, chose the topic, and developed a problem statement. I began focusing on my topic during the core accounting courses, which was extremely helpful in writing my annotated bibliographies and the literature review section of this doctoral study.

After reviewing articles, I noticed that a majority of the authors used a quantitative approach. Because of the nature of my research question, I decided to use a qualitative study to explore the phenomenon. Due to my professional experience as a legal accountant, I sought to eliminate my potential bias through employing epoché, suspension of judgment to bracket judgments about phenomena of the study (Moustakas, 1994). I put aside any preconceived notions that I had about small business family law firms since bias during data collection could affect the results.

The 3 participants in this multiple-case study provided extensive knowledge and stressed the importance of appropriate accounting strategies. I believe that the research and findings from this study have enhanced my knowledge of accounting in small business family law firms. Understanding the ethical and legal obligations small business family law firm owners must comply with, can provide me with an advantage over my competition as my own business grows.

Conclusion

Some small business owners lack the financial literacy required to make important financial decisions (Drexler, Fischer, & Schoar, 2014). Small business family law firm owners who use proper accounting benefit from having financial control and from quick turnaround time for financial statements that may reveal fraud, and identify record-keeping errors (Abdul-Rahamon & Adejare, 2014). The preliminary findings of this study provide crucial accounting strategies small business family law firm owners need to be successful beyond 5 years. Not all strategies are effective, and business managers must decide on which ones to implement (Roodin & Mendelson, 2013). The findings, conclusions, and recommendations could also help new small business family law firm owners understand the importance of developing a sound accounting strategy.

The risk of small business failure is higher within the first 5 years (SBA, 2014), and may be due to *faulty* accounting strategies. Family law attorneys currently employed by law firms, or just finishing law school, may wish to open their own small business. Some family law attorneys may only have an understanding of the law they practice, without proper knowledge of how to run a business. Before starting a new family law practice, and as needed, the owner should enroll in an accounting course or training program, and seek the guidance of a professional. Enhancing the knowledge and technical skills of small business family law firm owners provides owners with an opportunity to become effective leaders by making sound financial business decisions. When small business law firm owners implement an appropriate accounting strategy, they can improve business practices which can increase the business success rates.

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Appendix A: Consent Form

You are invited to take part in a research study about accounting skills needed for small business family law firm success. The researcher is inviting small business family law firm owners located in West Chester, Pennsylvania who have owned their own family law firm for over 5 years to be in the study. I obtained your name/contact info via the Chester County Bar Association Directory. 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 will be conducted by a researcher named Karen Adams, who is a doctoral student at Walden University. You might already know the researcher as a legal accountant, but this study is separate from that role.

Background Information:
The purpose of this study is to explore what type of accounting skills are needed by small business family law firm owners to succeed beyond 5 years.

Procedures:
If you agree to be in this study, you will be asked to:

- Participate in an audiotaped face-to-face interview with the researcher, responding to questions pertaining to your knowledge of accounting practices within your firm. Interviews will be approximately 30 minutes in length.
- Provide documents such as a chart of accounts. This documentation will be kept confidential, and financial data will not be disclosed in the study.
- Conduct a member check. This includes reviewing the researcher's write up to ensure the researcher's interpretation is the same as the participants. Member checking should take approximately 10-20 minutes.

Here are some sample questions:

- What is the importance of proper accounting record-keeping in small family law firm businesses?
- What is the importance of understanding financial statements?
- How did you start your accounting record-keeping when the firm opened?

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.

Being in this type of study involves some risk of the minor discomforts that can be encountered in daily life, such as time constraints. Being in this study would not pose risk to your safety or well-being. This study may increase success of existing and aspiring small business family law firms and provide increased employment and economic health within the community.

Payment:
There is no compensation for your voluntary participation.

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 secure by using codes instead of names and password protected files. Data will be kept for a period of at least 5 years, as required by the university.
If illegal activity is detected, the research will contact the proper authority (IRS or police).

Contacts and Questions:
You may ask any questions you have now. Or if you have questions later, you may contact the researcher via telephone at [redacted]. 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 ***04-13-16-0496343*** and it expires on ***April 12, 2017.***

Please save this consent form for your records.

Obtaining Your Consent
If you feel you understand the study well enough to make a decision about it, please indicate your consent by signing below.

Printed Name of Participant	______________________________
Date of consent	______________________________
Participant's Signature	______________________________
Researcher's Signature	______________________________

Appendix B: Interview Protocol

The main research question is: What accounting strategies do small business family law firm owners use to succeed beyond 5 years? In this qualitative multiple-case study, the interview will contain 13 open-ended questions to gain insights from experienced small business family law firm owners in West Chester, Pennsylvania.

Selecting participants: The researcher will contact participants by telephone or e-mail.

Setting place and time for interview: Interviews will be in the participants' private office.

Explanation of research study: The researcher will go over the purpose of the study, obtain consent from the participant, and provide a consent form to each participant.

Recording the interview: The researcher will record each interview. The researcher will mail a thank-you card to each participant one day after the interview.

Transcription of interview: The researcher will transcribe the recorded interview of each participant. The participants will receive a copy of the transcription and interpretation of their interview.

Member checking: The researcher will contact each participant by e-mail or telephone to confirm accuracy of the transcription.

Follow-up questions: The researcher will ask any follow-up questions determinant on quality and importance of responses.

Initial interview questions: The researcher will take notes.

1. What type of accounting or financial competencies did you have when you started your family law firm?
2. What is the importance of proper accounting record keeping in small family law firm businesses?
3. What accounting strategies do you use to sustain your business?
4. How does family law firm accounting record keeping differ from other businesses?
5. How did you start your accounting record keeping when the firm opened?
6. How has your financial record keeping evolved over the years?
7. How does having knowledge of accounting contribute to your business success?
8. What types of financial statements do you use?
9. What is the importance of understanding financial statements?
10. What are the downsides for business owners who do not have accounting or financial knowledge?
11. What type of accounting knowledge or competencies have you gained since you first started your business?
12. What type of accounting or financial strategies are important for lawyers to have, who want to start their own family law firm in order to succeed beyond 5 years?
13. What additional information would you like to share regarding accounting strategies or financial literacy for small business family law firm owners?