

The University of Reading Business School

Department of Real Estate & Planning

Working Papers in Real Estate & Planning 16/06

The copyright of each working paper remains with the author.
If you wish to quote from or cite any paper please contact the appropriate author.
In some cases a more recent version of the paper may have been published elsewhere.



The University of Reading

Information sources and advice used by small business tenants when leasing commercial property

Cathy Hughes
Department of Real Estate and Planning, University of Reading Business School
Whiteknights
Reading
RG6 6AW

Phone: 0118 378 6036
Fax: 0118 378 8172
E mail: Cathy.hughes@rdg.ac.uk

Abstract

Many small businesses lease commercial premises. The terms of a lease can affect the ability of the business to grow and adapt and have an impact on cashflow. Ensuring that they have the information with which to negotiate terms is part of the UK government policy focus on small businesses. Such information is most effectively disseminated through the sources of advice that small businesses use during the leasing process. Therefore these sources of advice need identifying. An interview survey of small business tenants who have recently taken leases provides initial results that suggest small businesses do not seek out advice during the leasing process or see the need to be better informed. The only formal professional input is from solicitors but this is not until after the main commercial terms have been agreed. The landlords' letting agents play a key, but ambiguous, role in providing information as well as advice. These results suggest that the most effective way of disseminating information by government could be via the letting agents, the very people with whom the tenants are negotiating.

Keywords:

Small business tenants, property leases, advice, information source.

This paper is based on research carried out with the financial support of the University of Reading Research Endowment Trust Fund and the author gratefully acknowledges that support.

Introduction

Many small businesses in the UK operate from leased premises. Lease terms are negotiated and agreed between the landlord and tenant and affect key aspects of the occupation such as the rent paid for the premises, the duration of the occupancy and the liabilities for repair and insurance. Leases also have clauses covering the timing and basis of any rent revisions during the period. Lease terms can, therefore, impact on the ability of a business to develop and grow or contract; they can inhibit or facilitate certain aspects of day-to-day operation and substantially affect cash flow.

For these reasons, commercial property leasing is a focus of government policy on small businesses. The Government's *Action plan for small business* (SBS 2004) is intended to promote enterprise and productivity. It is in this context that the government wants to ensure that small business tenants (SBTs) are well informed of the implications of the decisions they make regarding their property leases. This has been pursued in recent years through support for a voluntary *Code of Practice for Commercial Leases* (RICS 2002) produced by the property industry. This Code specifies recommendations both for the negotiation of new leases and conduct during the lifetime of the lease. Yet, in the light of the independent report commissioned to monitor the operation of the Code (Crosby *et al* 2005), the then Parliamentary Under-Secretary of State for the Office of the Deputy Prime Minister made this statement:

“...The other major area of concern is the continuing lack of awareness of property issues among small businesses. The Reading report shows that many small businesses fail to obtain the best leasing terms available because they lack essential information about the leasing environment and the local market. There is a need for action by both Government and the property industry....” Cooper (2005)

Crosby *et al* (2006) highlighted the problem of disseminating information to such a diverse group and the need for work to establish what sources SBTs do consult during the leasing process. This paper reports on a preliminary study which explores these sources with a view to providing the basis for a

larger study which can address practical considerations on how best government can disseminate such information to small businesses. While this work focuses on a particular business decision, it also aims to contribute to the wider literature on information sources used in decision making by small businesses.

Information sources used by small businesses in decision making

Owners of small enterprises inevitably deal personally with a wide range of issues that in larger firms would be dealt with by specialist departments. So, when faced with a decision, small business owners must decide what information to seek out, and whether to call on the advice of others. They can gain the information they need from a variety of sources, much of it may be explicit knowledge that is communicated by others and perhaps codified into written form. However, another source is tacit knowledge which derives from the process of 'tacit knowing' described by Polanyi (1966). This refers to the 'know-how' that comes from experience, training or observation and cannot be written down or easily passed on.

The sheer diversity of small businesses has led to a diverse body of empirical work on the information sources used by small business owners and managers. Each study focuses on different aspects of small businesses which creates some difficulties in synthesizing the main messages from this body of work. So, for example, many of the studies include everything from a sole proprietor right through to one with 500 employees; some researchers analyse their results by size of firm, whereas others do not. Similarly, whether the business is new or established is an explanatory variable in some studies but is not addressed in others. Some studies are set within a particular business sector, while others survey businesses from a wide range of sectors and make no distinction between them. Nevertheless, these studies do provide useful guidance and pointers for the current study.

The question of whether small businesses turn to external sources of information in decision making or rely on their tacit knowledge is investigated in the early work of Rice and Hamilton (1979), through to

the more recent studies of Pineda *et al* (1998) and Fuellhart & Glasmeier (2003). There is a consistent message that small business owner/managers show a strong reliance on their own experience with the use of personal judgement and research being central to all types of decisions. Alongside this, Bennett and Smith (2004) identify a popular view in the literature that small businesses are reluctant to seek outside advice. However, below the general accord there are differences of opinion; two of these studies addressed and disagree over the importance of decisions for which external assistance is sought. Rice and Hamilton found a tendency to rely less on assistance the more crucial the decision became although the authors do not explain how a decision was defined as crucial, which makes evaluation of these findings difficult. The survey done by Pineda *et al* differed in finding that the more important the decision is, the *greater* the search activity and more use is made of external sources; in this study the importance of the decision was as perceived by the decision maker.

Where small business owners do look beyond their own experience, personal sources (i.e. human) appear to be a much more important resource than impersonal (e.g. printed material). This emerges from studies of general information gathering practices for strategic planning such as Specht (1987) and Smeltzer, Fann and Nikolsean (1988). This latter study added another dimension in that their respondents tended to rate informal (friends, family) sources more highly, and use them more frequently, than formal (banks, accountants, lawyers and professional organizations etc). They concluded that “informal personal” sources were the most valuable of all. However, when looking at start-up businesses in the USA, Smeltzer and Van Hook (1991) found that, perhaps predictably, the two most frequently used sources of advice in this situation were lawyers and accountants. However, in common with the other studies, the use of personal rather than impersonal sources was clear as was the importance of friends and relatives as sources. The information sources least used were perceived as the least accessible, and this included government resources.

More general studies of information sources such as Johnson & Kuehn (1987) and Fuellhardt & Glasmeier (2003) conclude that the marketing chain (i.e. customers and suppliers) is the most important

external source of information for a small business. In the work of Bennett & Robson (1999) the marketing chain came second to accountants, solicitors and banks while business associations and government sponsored agencies (such as Business Link) were at the bottom of list. The authors saw these results as confirming their hypothesis that the level of trust explains the usage and impact of different sources of advice, although other explanations may be the necessity of consulting professionals and relative accessibility of sources. A further study by Bennett & Robson (2003) found a recent decline in the use of government agencies and, despite localisation (particularly seen in Business Link local advice centres) and co-ordination of government advice, this had not increased their use by small businesses. Mole (2002) suggested that one reason that Business Link is not a popular source of advice is because of the generic nature of the advice given, with the result that the advisors are not perceived as experts.

Notably Bennett & Robson (1999) found that the use of external sources increased with firm size, with the exception of the use of a business friend or relative (classed as one external source) which is the only external source that is higher in smaller firms. However, this general picture contrasts with Johnson & Kuehn (1987) who found that small firms spent more time scanning external information than their larger counterparts.

There may be a difference in information seeking behaviours between experienced and inexperienced entrepreneurs, not least because of the tacit knowledge that comes with experience. The work of Cooper *et al* (1995) showed that those in very small businesses with no previous entrepreneurial experience generally sought more information than their more experienced counterparts. However, the survey also revealed that inexperienced entrepreneurs sought *more* information than those with experience in a field known to them and *less* in unfamiliar territory, a result which seems counter intuitive. They concluded that more entrepreneurial experience brings a greater awareness of what is needed, while the less experienced entrepreneurs simply do not know what information is needed in unfamiliar fields, conclusions that draw on the concepts of bounded rationality (March and Simon

(1958), and Cyert and March (1963)). However, others have suggested that not knowing where to go for information is a general problem for all small businesses. Pineda *et al* (1998) in trying to explain the differences found between decision areas, speculated that not knowing where to go for information about particular subjects led small businesses to use the most readily available sources, although they did not test for differences between new and established firms. Nevertheless, these studies suggest that simply knowing that help is available may be key. Indeed Storey (1994) draws this conclusion from evidence in the UK, while Masten and Hartmann (1995) found that the use of government sponsored external technical assistance by manufacturing firms in Tennessee was likely to simply be related to awareness of them; and once used, business people were likely to use them again.

Information sources for property decisions

The sources of advice and information used by small businesses in making decisions on property have not been investigated, with the exception of the work of Crosby *et al* (2005) which provided the impetus for the current research. Part of this study examined the professional advice used by small businesses in the leasing process. Interviews with solicitors and commercial agents in the UK revealed that it is rare for small business tenants to be represented by property professionals in the commercial stage of lease negotiations but they usually employ a solicitor, after the main commercial terms have been agreed. A questionnaire survey of tenants in the same study confirmed that small business tenants (particularly those with less than 10 employees) were less likely to take advice from property professionals than larger firms despite the fact that many of them had no leasing experience. They were also less likely to negotiate or to be aware of what was in the lease they had signed.

The role of vendors' agents

In contrast to the small businesses, landlords that have property to let frequently employ professional letting agents. This creates a situation akin to that often found in the residential sales market where vendors use agents to sell properties, but buyers don't employ agents and conduct the search and negotiation process themselves. This can create a situation, as Marsh and Zumpano (1988) found,

where the role of the agent becomes ambiguous with the agent becoming a source of information and advice for the buyer.

While the relationship between the selling/letting agent and the unrepresented buyer or lessee in the property market remains relatively unexplored, the organizational buying literature contains pertinent studies by Webster (1968) and others which concludes that buyers understand and acknowledge that information from salespeople is biased. However, work by Baker and Parkinson (1977), Martilla (1971) and Dempsey (1978) suggested that the influence of sales people may in fact be short term. They found that, as the procurement decision progresses, there is a pronounced increase in the buyer's dependence on information furnished by personal non-commercial (i.e. the source does not benefit from any subsequent transaction) information sources. Of course, given the acknowledged different characteristics of the small business enterprise, such business people may have a completely different relationship with salespeople and, in the current context, commercial letting agents.

Research questions

The studies in the small business literature consider different explanatory variables for the small business owner's information-seeking behaviour, such as the importance of a decision or the experience of the entrepreneur. However, they generally show that small business people rely on easily accessible sources such as those within the marketing chain, business friends and relatives, and on their own experience to guide them through. If they do turn to external professionals it is likely to be to lawyers, accountants and bank managers and not government agencies or business associations.

The current research pursues these ideas in the context of leasing business premises. It has already been suggested that small business people do not take specialist property advice when leasing property (Crosby *et al*, 2005). There may be similarities to the residential real estate market in that buyers are not experts and trade infrequently, as commercial leases tend to run for several years. This leads to the speculation that prospective tenants may turn to landlords' agents for advice and information.

This research is an exploratory study with the primary aim of identifying the sources of information and advice that small business tenants use in the process of leasing property. However, the intention is also to look for factors that appear to influence this, such as the characteristics and perceptions of the tenant, or the type of business or property. The findings will then form the basis of a larger study to test these ideas. Therefore, the main objectives of this study are to generate propositions within the following themes:

1. The sources of information and advice used
2. Determinants of the information sources/advice used

Research method

The research was qualitative in approach. As the intention was to generate ideas and themes, this was done by interviews with small business people who had recently taken property. In this way an open approach could be adopted allowing for the exploration of different ideas, and the interviewees should be able to readily recall such a recent experience. As access to information can vary geographically, businesses in Reading were chosen to control for this. The property lettings were identified through the business pages of the local newspaper and by contacting local, commercial letting agents. A spread of lettings across retail, industrial and office sectors was chosen, and a mix of new and established businesses. After an on-line check of Companies House data was made to exclude large firms, letters were written to the Managing Directors of the tenant firms followed by a phone call. Only one firm that was approached did not respond positively, and business people in eight firms were subsequently interviewed in Autumn 2005.

The interviews took place at the business premises and lasted for around an hour. They followed a loose structure to allow interviewees to speak openly and to allow different ideas to be explored with large degree of freedom. The basic framework was as follows:

1. The business – background (e.g. when, why and how started), structure, number of employees.

2. The individual – Role in business, role in property decision making, business experience.
3. The property decision – reason for new premises
4. Criteria for choosing property
5. Leasing process – an account of the search process and negotiation of the lease to completion.
6. Sources of advice/information – who/what was used, what was helpful, what would have been useful

Fortuitously one interviewee had experience of one recent successful and one abortive transaction, both of which were discussed in the interview.

Small business information use –results

The picture that emerged on information sources is remarkably consistent across the variety of businesses. However, while there is much that is common across all eight firms, there are some differences as certain variables identified in the literature review appear to have some explanatory power in this study. The key dimensions of the firms studied are set out in Table 1 and the main findings on the information sources, as perceived by the interviewees, are summarized in Table 2.

Table 1: Key characteristics of firms and properties leased								
	A	B	C	D	E	F	G	H
Business owners:	Husband & wife	Boyfriend & girlfriend	Sole female proprietor.	Husband & wife	Sole male proprietor	2 directors	1 director	Father, mother and son
Employees	3	1	1	1	1	4	8	22
Age of business	New	New	New	New	New	Established 14 years	Established 20 years	Established 8 years
Type of business	Specialist goods retailer	Specialist food retailer	Beauty service	Office supplies	Car-related service	Distributor	Management consultant	Haulage
Property type	Town centre retail	Neighbourhood retail (and storage unit*)	Town centre retail (but secondary)	Neighbourhood retail	Unit on industrial estate	Office on edge of town	Office in town centre	Unit on industrial estate
Lease duration	3.5 years (assigned)	3 years	2 years	5 years	6 years (3 year break)	5 years	5 years	5 years
Prior management experience	Husband – marketing manager Wife – run a business	Girlfriend – managed restaurants	None	W – self-employed childminder	None	N/A	N/A	N/A
Familiarity with business area	None	None	Experience in similar business	None	None	N/A	N/A	N/A
Commercial leasing experience	None	None	None	None	None	1 previous office	Several previous offices	None
Reason for renting property	Premises needed for new business	Premises needed for new business	Premises needed for new business	Premises needed for new business	Premises needed for new business	Had to move.	Had to move.	New base needed to be able to expand

* This was a separate transaction that was aborted on advice from the solicitor.

Table 2: Information sources used as described by interviewees									
	A	B-storage	B – shop	C	D	E	F	G	H
Landlord's agent	Not working for tenant (T) at all	Wanted to be seen as working for T, but T sceptical as saw him as salesman. However, provided a lot of advice	Advised that landlord wouldn't want T's business in occupation . T approached and negotiated directly with landlord	Wasn't advisor but did explain and was trusted	Viewed as working on T's behalf	Was very helpful. Helped write offer letter. Now thought of as a friend	Initial negotiations through agent then T went straight to landlord	Seemed that was working for T. Made suggestions of what might be feasible. Also recommended solicitor	Was type of agent that T could talk to –not like corporate agents.
Solicitor	T discussed lease with him, but nothing needed changing	Turned out to be important advisor as saved T from bad deal. However T saw it as expensive lesson to learn and will consult solicitor later next time to save money.	Sorted out minor legal issues	No solicitor used except for a short meeting with one recommended by agent when checked terms were understood and signed – seen by T as necessary part of process.	Not part of commercial negotiations Described as good. But seen as there to explain rather than advise	Is family friend and was important advisor – questioning everything	Not normal solicitor. Chosen on price. Not commercial advice. T resentful of necessity for solicitor due to unnecessarily complicated leases.	Recommended by agent.	Normal solicitor. Not commercial advice. Very helpful – went through lease with toothcomb.
Any other external sources	None	After solicitor gave advice, consulted tenants/ex tenants on estate who also had problems with landlord	None	Friend in business and councillor friend (who is in business) important	People having just leased a shop (not seen as significant source)	Many friends and family with business experience – key advisors	None	None.	None

Overall use of external sources

The literature reports a tendency of small businesses to rely on their own judgement and experience, and not to turn to external sources in decision-making. This is also a key finding of the current study. The only professional employed by each of the firms was a solicitor. None of them employed a specialist property advisor. It did not seem to have occurred to the interviewees to seek such advice; when the issue was raised by the interviewer, various comments were made that this was not necessary or would have been of no benefit. All of the interviewees conducted their own searches and their own negotiations. Property searches were done using the internet, visiting and registering with commercial agents, driving around looking for boards on properties. Only one firm had any difficulty with the search process as they didn't register with the agents in order to be alerted of potential properties. For the rest, the actual search and commercial negotiation was perceived as a straight forward process.

The extent of consultation with solicitors varied, and this is discussed below, but in all cases it was clear that the solicitor was not involved in giving commercial advice and was brought in at a later stage to deal with the legal side of the transaction. Accountants and bank managers played no part in the process; where the latter were mentioned it was to comment that they showed no interest in the property or the terms under which it was to be occupied. None of the firms consulted business or trade associations, or government sponsored advice centres such as Business Link. Neither did the business people appear to consult any impersonal sources such as written or internet material, such as the advice on renting premises on websites such as Business Link. The internet was used, but only to search for property on agents' websites.

Notably, none of the businesses felt that they had lacked information as they went through the leasing process and they were generally aware that the various resources outlined above were available. The interviews showed that many interviewees had only a basic understanding of lease terms and the

implications of what had been agreed, but they did not appear to think they should have been better informed.

Size

All of the firms studied were very small, but differences can be seen between sole proprietors and the other businesses. The larger firms showed an approach that was internal within the business. Personal research and judgement were clearly the central resources in the decision making process for these firms, although this did not mean that decisions were made by single individuals. Perhaps because these firms were actually very small, even though there was usually one person taking the lead, all of the directors were involved in the decision making process. In firm G, which has only one director, the approach remained internal, with key employees playing an important role in decision making. Only the two sole proprietors (C and E) referred to sources outside the firm other than the letting agent and solicitor. These two new businesses turned to friends and family particularly those with business experience and saw these as extremely important sources of advice.

Experience

Business experience did not appear to influence the nature or quantity of information sources consulted within the new firms. However there were signs that it may give confidence in the ability to deal with the process and this is most clearly manifest in the relationship with the letting agents, such as in the case of business A who kept the agent at arm's length or business B who bypassed the agents in negotiations. Similarly, in the established firms, it may have been general business or leasing experience that contributed to the businessman in firm F having the confidence to sidestep the agent and to choose a solicitor simply on price while the director of G was at ease with reading leases and querying terms.

Importance of the decision

It was apparent that, while finding premises, the location, specification of the buildings and the length

of the lease being taken was important to the businesses, their focus was on the realities of running a business. For example, the interviewees that were setting up their first businesses were negotiating with suppliers, banks, credit card companies, franchisors etc. at the same time as finding the right premises. Similarly, the director of the established haulage firm (H) was more concerned with satisfying the requirements of the Ministry of Transport than the details of the lease. Therefore the (lack of) use of information sources has to be seen in this context, although it is not possible to comment on whether a different view on the importance of the leasing decision would have led to a difference in information being sought.

Key information sources: Letting agents

All of the firms found their properties through letting agents, who act for landlords. There were strong indications that, as prospective tenants, most of the interviewees built up a relationship where the agent was trusted to provide information (although this was often not perceived as advice by the interviewees). However, in many cases the agents also provided what was clearly understood to be advice.

The importance of these agents as information sources and ‘advisors’ throughout the leasing process was apparent. The agents provided explanations to the tenants on issues such as insurance and business rates. There was evidence of role ambiguity; for example, several interviewees had been guided by the agents on offers that they could make as prospective tenants, which may be acceptable to the landlord. This was true of experienced firms such as G as well as new entrepreneurs (D and E). An example of this advice was a suggestion to E that he ask for a three month rent free period rather than a lower rent. However, others took advice from the agents while at the same time being very well aware that their roles were essentially those of salesmen. The agents were not always in control as can be seen in the instances where the tenants bypassed them to negotiate directly with the landlords (B and F) or where

the agent had a more muted role (A).

Solicitors

It is often said that small business people do have advisors in leasing premises, as there is usually a solicitor involved. However in all the cases looked at in this study, the solicitors were not consulted until after the main terms had been agreed and even then the business people had a somewhat ambivalent relationship with them. While generally seen as helpful, solicitors were not usually regarded as advisors. The marked exception to this was the businessman taking an industrial unit (E). Here the solicitor was a family friend and seen as very important advisor. He described the solicitor as the foil to his unbridled optimism for the business.

The thoroughness of the solicitor's work was appreciated by most, but nevertheless their role was largely described as explaining and checking the legal niceties of the lease, and this was distinguished from advising. This was apparent even when they appeared to be acting very much in an advisory role, such as advising on an issue of repair (D). This attitude to solicitors did not seem to be related to business experience or size of firm. Interestingly, the two established firms with leasing experience did not use their normal solicitors, although for differing reasons. One of these (F) clearly resented the fact that leases were so complex that a solicitor was needed – so he simply looked for a solicitor that would do the job cheaply. The other simply used a solicitor recommended by the letting agent. The third established firm, that had no previous leasing experience, used their usual business solicitor.

The most notable example of the ambivalent and somewhat begrudging nature of the relationship with solicitors was found in the business attempting to lease an industrial unit to support their new shop (B). These entrepreneurs were forced to recognize the importance of solicitor by fact that his advice stopped them signing the lease at the last minute. The lease had an onerous repair clause which the landlord refused to change, and it required the new tenant to pay for an asbestos survey; the solicitor thought

that the landlord was being very unreasonable and advised against taking the property. While the businessman appreciated this and took his solicitor's advice, he saw it as a very expensive lesson to learn, and his reaction was a determination to avoid such costly advice in the future by contacting a solicitor later. One businesswoman (C) simply saw a solicitor to sign the lease (as arranged by landlord's agent) as she believed she had to do this as part of the process.

Other sources

One possible source of information/advice in leasing premises may be existing tenants in a development. Only one entrepreneur, who was setting up a new business, consulted existing and ex-tenants from an industrial estate when considering taking unit on the same estate – and this was only because the solicitor had flagged up serious concerns about repairing liability and was advising the client to walk away. The other people that took space in shopping centres/industrial units didn't consult existing occupiers, not even about basic issues such as local rental levels.

Conclusion

An objective of this research was to provide initial suggestions of the sources of information and advice used by small business people in the leasing process. This preliminary study suggests that, as has been found in other decision making situations, these sources are often internal and certainly always personal. Colleagues are important and, perhaps where there are no colleagues, family and friends are turned to. The only professional formal input comes from solicitors; none of the SBTs consulted accountants or their bank manager. Neither did they employ property professionals as they all handled the search and negotiation process themselves, although the letting agents play an important role in this (see below).

The business people's attitude towards their solicitors seems somewhat ambivalent; the solicitor's role is not necessarily seen as advisory and any substantive advice from them may be resented. Perhaps

this is because the timing of their input overlaps with advanced preparations for moving or opening the new business. It may simply boil down to costs as several interviewees clearly strove to minimize the solicitors' fees. As they are not consulted until after the main commercial terms have been agreed, their ability to influence terms may in any event be muted. There is a myriad of other potential sources of advice and information such as business associations, government agencies and written material which do not seem to be being used at all.

Landlords' letting agents can play an important, though somewhat ambiguous, role. The findings resonate with the organizational literature in so far as some business people recognized that the agents were essentially 'salespeople'. However, several people within this small study did not regard them as simply agents of the landlord; they saw them as acting in their interests. Notably, the letting agents were also often regarded as sources of 'objective' information, although in some cases this was in respect of terms that were potentially negotiable.

Another objective for this work was to suggest any factors that appear to determine the information sources and advice used. If there are identifiable factors and groupings to be made, this is not so readily apparent from this small study. There does not appear to be a division between experienced and inexperienced entrepreneurs, other than in terms of attitude to the process and to letting agents. This may be because, typically, lease transactions are infrequent events in any organisation. However, it was in the new firms that family/friends were apparently important. Nevertheless, other factors may be equally or more relevant particularly whether the business is run by a solo entrepreneur. In some instance the character of the individual may be the most important factor, as some of the SBTs simply had the self confidence and attitude to bypass letting agents to get what they wanted.

In all cases in the current study, the business people had a wide range of other concerns running alongside the leasing process, not least setting up or moving the business. It may be that in this

context, the far reaching implications of the particular terms agreed are not appreciated and the decision on particular lease terms is not considered important; the attitude to the solicitors would certainly suggest this. Thus the perception of the importance of the decision may influence the level and type of information sought. It may also explain why these business people did not feel the need to better informed on leases, although of course they were largely unaware of gaps in their knowledge.

These findings provide an insight into information sources used in this particular decision context. The next step is to take these ideas and develop them using a larger sample of SBTs. If these findings are borne out in a wider study then there are implications for how government disseminates information and advice to prospective tenants. If the aim is to get information to SBTs before they make their leasing decisions then there would be little point targeting solicitors, business associations or expecting SBTs to receive such information through government agencies like Business Link. The only sure way to communicate would appear to be via the landlords' letting agents, either using voluntary written materials or perhaps a more formal obligation to pass information on. Then, of course, the question is whether providing more information will, given the many business pressures on a small business person, achieve the policy aim of providing SBTs with the necessary 'awareness' to negotiate better lease terms.

References

- Baker, M and Parkinson, S (1977) Information source preference in industrial adoption decisions. *In*: Greenberg, B and Bellenger, D (Eds.), *Contemporary marketing thought*, pp. 258-61. Chicago: American Marketing Association.
- Bennett, R J and Robson, P J A (1999) The use of external business advice by SMEs in Britain. *Entrepreneurship & Regional Development*, **11**(2), 155-80.
- Bennett, R J and Robson, P J A (2003) Changing use of external business advice and government supports by SMEs in the 1990s. *Regional Studies*, **37**(8), 795-811.
- Bennett, R J and Smith, C (2004) The selection and control of management consultants by small business clients. *International Small Business Journal*, **22**(5), 435-62.
- Cooper, A C, Folta, T B and Woo, C (1995) Entrepreneurial information search. *Journal of Business Venturing*, **10**(2)
- Cooper, Y (2005) Written ministerial statements to the House of Common, 15 March 2005, *Hansard Written Ministerial Statements*, Commons, Column 12WS
- Crosby, N., C. Hughes and S. Murdoch (2005) *Monitoring the 2002 Code of Practice for Commercial Leases*. London : ODPM
- Crosby, N., C. Hughes and S. Murdoch (2006) Flexible property leasing and the small business tenant. *Journal of Property Research*, **23**(2) 163-188
- Cyert, R M and March, J G (1963) *A behavioral theory of the firm*. Englewood Cliffs, N.J.: Prentice-Hall.

- Dempsey, W A (1978) Vendor selection and the buying process. *Industrial Marketing Management*, **7**(3), 257-67.
- Fuellhart, K G and Glasmeier, A K (2003) Acquisition, assessment and use of business information by small- and medium-sized businesses: A demand perspective. *Entrepreneurship & Regional Development*, **15**(3), 229-52.
- Johnson, J L and Kuehn, R (1987) The small business owner/manager's search for external information. *Journal of Small Business Management*, **25**(3), 53-60.
- March, J G and Simon, H A (1958) *Organizations*. London : Wiley.
- Marsh, G A and Zumpano, L V (1988) Agency theory and the changing role of the real estate broker: Conflicts and possible solutions. *Journal of Real Estate Research*, **3**(2), 151.
- Martilla, J A (1971) Word-of-mouth communication in the industrial adoption process. *Journal of Marketing Research*, **8**(2), 173-8.
- Masten, J, Hartmann, G B and Safari, A (1995) Small business strategic planning and technology transfer: The use of publicly supported technology assistance agencies. *Journal of Small Business Management*, **33**(3), 26-37
- Mole, K (2002) Business advisers' impact on SMEs. *International Small Business Journal*, **20**(2), 139.
- Pineda, R C, Lerner, L D, Miller, M C and Phillips, S J (1998) An investigation of factors affecting the information-search activities of small business managers. *Journal of Small Business Management*, **36**(1), 60-71
- Polanyi, M. (1967) *The tacit dimension*. London: Routledge & Kegan Paul.

Rice Jr., G H and Hamilton, R E (1979) Decision theory and the small businessman. *American Journal of Small Business*, **4**(1), 1-9.

RICS (2002). *Code of Practice for Commercial Leases 2e*. London : Royal Institution of Chartered Surveyors:

SBS (2004) *A government action plan for small businesses*. London : DTI.

Smeltzer, L R, Fann, G L and Nikolaisen, V N (1988) Environmental scanning practices in small business. *Journal of Small Business Management*, **26**(3), 55-62.

Smeltzer, L R and Van Hook, B L (1991) Analysis of the use of advisors as information sources in venture startups. *Journal of Small Business Management*, **29**(3), 10-20.

Specht, P H (1987) Information sources used for strategic planning decisions in small firms. *American Journal of Small Business*, **11**(4), 21-34.

Storey, D (1994) *Understanding the small business sector*. London: Routledge.

Webster Jr., F E (1968) On the applicability of communication theory to industrial markets. *Journal of Marketing Research*, **5**(4), 426-8.