

Who is a Good Advisor for Entrepreneurs?

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Abstract

This paper examines the types of advisors that contribute to solving entrepreneurs' fund-raising problems before and immediately after startup, as well as improve new firms' performance immediately after startup, by using a survey in Japan that includes 3,011 new firms. We find that advice concerning the startup plans from managers in the same industries contributes to solving entrepreneurs' fund-raising problems before and immediately after startup. Our results suggest that their advice enables the entrepreneurs to pass the screening by financial institutions. We also find that advice from accountants improves new firms' performance immediately after startup and that advice from official startup support institutions, franchisers, and irreplaceable partners in management is likely to improve such firms' performance immediately after startup.

JEL classification: L26; M13; M21

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