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## Pathways to Profits: Identifying Separate Channels of Small Firm Growth through Business Training

This paper identifies separate and unique pathways to profits among small businesses in South Africa that are exposed to marketing or finance training in a randomized control study. The marketing group achieves greater profits by adopting a growth focus on higher sales, greater investments in stock and materials, and hiring more employees. The finance group achieves similar profit gains but through an efficiency focus on lower costs. Both groups show

significantly higher adoption of business practices related to their respective training program. Consistent with a growth focus, marketing/sales skills are significantly more beneficial to firm owners who ex ante have less exposure to different business contexts. In contrast and in line with an efficiency focus, entrepreneurs who have been running more established businesses prior to training benefit significantly more from finance/accounting skills.

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