

A Leonora Soculitherz Business Building Skills Kit for the Future

What Business Owners “Really, Really Want”

Go along to your local Waterstones or WH Smith and have a good yawn and a quick cat nap while flicking through the standard management skills texts. You may learn how to project or time manage, delegate, appraise, evaluate, or learn in a day, an hour, or a minute, but for most owner managers and entrepreneurs it is still far too long spent on non priorities. Three out of every four owner managers started their business using their own money and copious amounts of time. Frankly, they can't be bothered with the professional management training or qualifications on offer.

In fact, the top reason that entrepreneurs set up a business is for the freedom to adopt their own approach to work, so it not surprising that they reject big company training hand-me-downs. From interviews with lots of entrepreneurs, the Council for Excellence in Management and Leadership (Tony Robinson was on a sub group of this, chaired by one of his heroines, Sarah Anderson) came up with a number of abilities or qualities that entrepreneurs felt were important to success in leading their business. The top six of these were:

1. Innovation and Vision
2. Honesty and Integrity
3. Personal Drive and a Sense of Purpose
4. Ability to Motivate
5. Communication and Social Skills
6. Inspiring Trust

Owner managers want to use these abilities to help them overcome what they see as the potential obstacles to their success in the future. These future abilities are most often quoted as being:

- winning business through sales and marketing
- dealing with regulations
- managing cash flow and obtaining finance



- dealing with staff-related and new technology issues
- handling the economic environment
- or specifics like finding suitable premises.

Whilst all these skills are important, Tony and Clare are convinced that the most important skills, whether you're producing a product, running a shop or providing a professional service, are those which help you to win business.

Skilling up to 'Do the Biz'

So, do owner managers feel that essential abilities to deal with these matters just come naturally, or are there skills that can be gained or improved?

Encouragingly, most owner managers feel that they can gain skills that they'll need in the future to help them lead and build their business more successfully. These skills will help them to do better deals, innovate, win more business, trade profitably, benefit from technology, develop their workforce and get more out of their business networks. Does this scenario sound too good to be true?

I asked Tony and Clare:

What would you do if either of you was appointed as the new Minister responsible for increasing future UK productivity through the performance of owner managers of small businesses?

"Firstly, all skills development needs to be in the context of the type of business being run or started up".

"Secondly, we would allow all prospective and existing owner managers the right to gain the 5 priority skill sets which they will recognise as important to their future success:

1. **Leadership.** This includes great communications, shared vision, motivation, inspiring people, selling ideas, handling change, leading by example.
2. **Entrepreneurial and Business Development.** This includes innovation, deal making, spotting opportunities, selling, marketing, negotiating, handling risk, winning, keeping and developing customers.

3. **People Development.** This includes building teams, recognising potential, developing people, recruiting for growth, managing conflict and rewarding performance.
4. **Relationship management.** This includes influencing, selling added value, negotiating, listening, building networks, empathy and trust.
5. **Strategic management.** This includes developing clear future goals, reviewing, positioning, planning and making it happen.

In addition, we would ensure that all owner managers were given the opportunity to feel that they were constantly kept up to speed on:

- **The importance and changing mix of available technology.** Productivity can often be increased faster through information and communications technology, than through recruiting and training staff.
- **Where to get help and where to learn.** Coaches, mentors and trainers, through to peers and colleagues.



Where does the Entrepreneur of the Future go to get this Skills Kit?

If we don't do something about it, then the entrepreneurs/owner managers of the future will behave very much as they do today. Half of them do not seek business advice from anyone. Most have received little help to develop the skills they need to start and run their businesses, either from their time at school, college, university, or from local business support agencies. The vast £ millions of government money to support small business owners is not hitting the spot, because it is not stimulating the demand to use this support.

So, as the responsible Minister, we would like to:

1. **Fund the defining of these skills and the associated learning media and methods, in the appropriate language, for all potential entrepreneurs.**

At various levels, as appropriate, this skill set would be introduced to them through the support they get from their schools, colleges, universities, Enterprise Agencies, business incubators, venture capitalists, banks and other start-up specialists.

2. **Develop an elite group of 500 entrepreneurial skills and performance coaches in the private sector and make their services available for purchase by existing small business owners.** *(See chapter 5).*

All members of this elite group would have attended and become qualified through an Entrepreneurial Coaching Academy, which will become the envy of the world. Members of the group may average ten clients per annum, allowing the development of 5000 small businesses, with untapped potential, each year. In some cases the cost would be subsidised

Coaches selected for the Academy would already exist, with proven track records, within the private sector. After training, they would remain within the private sector and would not be asked to join any publicly funded organisation. They would be responsible for their own marketing, although Government may contribute something towards helping them to engage with priority targets.

3. **Ensure that all learning centres for potential and existing business owners to which public funding is provided, meet a new set of SFEDI (Small Firms Enterprise Development Initiative) standards.**

These learning centres would be a type of 'entrepreneurial gym', diagnosing and helping to meet the individual needs of each of their customers. The help would not only consist of courses and formal, person-to-person and online learning programmes. In addition, there would be a lot more of the informal learning preferred by small businesses. This informal learning would include help from other business people, business clubs and networks, at short, evening and weekend events, through mentors and coaches.

4. **Arm and fund the people to whom existing owner managers go most for business advice or professional services, to help stimulate demand and provide support in this skills development arena.**

Funding should be provided by Government. Most regularly used sources of small business advice include accountants, suppliers, Chambers, Trade Associations, membership bodies, trainers and coaches etc.

5. **Provide the opportunity for a free, one hour interview to every owner manager who would like one.**

This interview would take place with an accountant, or trusted business helper, with the aim of helping owner managers to become more aware of their skill needs. The interview would be structured around the Business Improvement Tool for Entrepreneurs, (BITE), which we helped to write.

6. **Pay for the cost of publicising and providing this one hour interview from existing marketing budgets.**

Existing agencies have government funds to stimulate demand from small businesses for various adult learning and business improvement initiatives. These could be used.

7. **Develop and provide a web-based database, free of charge, to all the 'advisers' with whom small businesses naturally engage.**

Funds to produce the database and publish an annual directory, which would be available free from business



libraries, would come from Government. The database would enable advisers to provide information to the owner manager about how to get local help to develop the particular skills they've identified as important.

8. Have as the guiding principles of our Ministry:

- Build on what works in practice within small businesses
- Always search for commercial services from the private sector as a first solution
- Allow business owners the choice of buying appropriate services to meet their needs
- Only intervene with public funding, agencies and programmes where there is clear market failure.

9. Enlist the help of a panel of business owners to critique any new initiative for learning and skills development before it is introduced.

10. Ensure that all publicly funded small business support programmes, organisations and personnel are endorsed and accredited by SFEDI.”

