

## **Résumé of Tony's views on Improving the Quality of Small Business Learning and Skills Support,** by Leonora Soculitherz

### **'In the Zone of the Entrepreneur'**

#### **1. Better Bang for the Buck**

It is great news that the Government is investing so much money in small business support, to increase both the productivity and the number of small businesses that start up, survive and thrive. However, in England, we will never get a great return on this investment, until we allow entrepreneurs to 'go with the grain' and choose people they trust – people with whom they are often already working – to provide practical support, at a price they are willing to pay.

Regrettably, forcing incentives and initiatives, to achieve fairly limited targets, through the publicly funded business and learning and skills support infrastructure, has a track record of gaining only marginal benefits.

It is a wasteful method of engaging with



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small businesses (marketing costs) and of delivering what are perceived by owner managers in the priority target groups, as a low value business



improvement offer (implementation costs).

So, in order to get best value for money, the government offer or intervention needs to be in the zone of the entrepreneur. **It needs to fit with the entrepreneurs' attitudes to risk, time, pace, informal learning, 'bite sized', language, priorities, commitment, price, people they trust and support they value.**

## **2. Avoiding Being Stuck in the Headlights**

Although many policy makers may recognise some, or all, of these issues, it is still not a simple task to engender policy change. This is because the Government is understandably unwilling to risk funding the private sector to achieve what it has already invested £millions in publicly funded agencies to do. It is an easier option:

- to attempt to improve the existing, publicly funded learning and skills business support infrastructure and
- to widen the number of 'introducers' and 'advisers' who are able to assist in the implementation of government initiatives for small businesses.

There has been substantial progress in this regard. Thousands of 'introducers', 'advisers' and increasing numbers of organisations and their support and learning centres are being



required to meet SFEDI standards in order to receive public funding to intervene with small businesses. This is highly encouraging and improves the overall standard of business support.



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According to Tony, a number of policy makers deserve credit for starting this process. In this respect, he particularly singles out David Irwin, former Chief Executive of the Small Business Service, along with Derek Grover and Linda Ammon, (then of DfES), whom he feels deserve massive credit. They introduced many policies and programmes that are continuing today and have added value to the prospective and existing business improvement offer to entrepreneurs. In addition, many more civil servants, at all levels, such as Ken Poulter, Cliff Baker, Verni Tannam, Ian Kinder, Stuart Gordon and Derek Carr, were willing to recommend SFEDI in its early days, and have hopefully not been disappointed by its progress.

However, in order to allow Government and the Civil Service to entrust public funding to new channels to increase small business take up, we will need to develop a brand new model in which the policy makers have confidence. Below are some of the features of this new model:



## **New Funding Model to Inspire Confidence in Government**

- It is essential that **government funding** is available on both a national and regional basis to **private sector**, quality assured organisations, individuals and products (meeting SFEDI standards).
- The object of the funding is to enable prospective and existing small business owners to **take up the government interventions as part of an existing offer**, which business owners value, **through their existing networks, introducers/sellers and providers.**
- The choice of supply for the entrepreneur would increase if any **private sector organisation that met the quality assurance standards could bid to include the government offer with their existing offer.** Part of this choice is the ability to pay as much as the entrepreneur believes represents good value for the offer.
- There would be little need for national, generic programmes. Consequently it would rarely be necessary to provide public funding in order to stimulate demand for a particular initiative. Instead, individual bids would include the costs of marketing.



Take *three examples*.

1. A major franchisor, (or the British Franchise Association), could bid to advise 300 franchisees on how to improve their businesses to meet the Investor in People Standard. This advice would be a part of its existing franchisee training and support package.
2. The British Hospitality Association could use its 500 (when accredited to the SFEDI standards) business coaches to help 5000 hotels, guest houses and restaurants, both to meet the Investors in People Standard and to enable the proprietor to gain 30 'endorsed' hours of leadership development.
3. Through its regional champions/coaches, the Academy of Chief Executives could carry out pioneer work with 1000 CEOs on the best use of UFI Premier Business Centres, universities, science parks, colleges and the Open Learning Network to develop new products and services.

### **3. Learning from International Sporting Excellence**

I believe that Tony's major recommendation is succinct and easy to grasp. However this recommendation is harder for the Government to take up, because it will require investment



in some new infrastructure, (though not new buildings and organisations). This is difficult, as it requires an acceptance that the existing infrastructure will not bring the required gains sufficiently quickly to improve our national small business performance and give prospective and existing owner managers a head start to business success.

### **Tony's Sporting/Business Analogy by Leonora Soculitherz**

*(Greatest sporting moment: first to the Prada handbags at the Harrods sale)*

Tony's point is, that if we were currently lagging behind a number of other nations in a sport, but wanted to lead the world in performance of that sport, we could not expect to do so simply by giving more money to the clubs to use current techniques to help existing players perform better.

What we would do is take advice on what benchmark(s) we wanted to achieve in order to be number 1 in five years' time. In each of the five years we would:

- estimate what we needed, in terms of the stock of players, coaches and administrators with the potential to reach our desired performance level, both individually and collectively.
- list the resources we would need both to recruit them into our sport and get them to achieve this standard.



- fund specific structures (e.g. regions) against our plan to recruit players, coaches and administrators, both at the grass roots and internationally.
- specify the coaching infrastructure required in each structure (e.g. an age group or level of club).
- appoint a national, generic, overall coach/director of excellence (e.g. Clive Woodward (rugby), English; Sven Goran Erikson (football), Swedish; Duncan Fletcher (cricket), Zimbabwe) for each of our national teams. These national directors of excellence would appoint overall, specialist coaches for particular disciplines – e.g. forwards, backs, kickers, batters, bowlers etc.
- need to invest in a national coaching academy. This would provide national coaching support and world class facilities to promising players. It would also be used to qualify more coaches and administrators to the required level.

At a certain point within the plan, we would only allow the clubs to receive any of our funding if they were using these elite coaches and supporting the new infrastructure.

Add in the vital elements of top competition and continuous development and we stand a chance of raising our international competitiveness.



Investment in such an infrastructure in English rugby, particularly after the 1999 World Cup and partly inspired by Will Carling's 'old farts' remark about the then dominant administration, helped Clive Woodward to begin the process that led to the achievement of winning the 2003 World Cup.

Tony's point is that however much the existing business support infrastructure is improved, it will not get us to a world beating position. He gives his solution below.

### **Improving the Existing Business Support Infrastructure – What needs to happen?**

Develop the **overall strategy, based on a new set of benchmarks** devised for each of the next five years and integrating the private sector, as in 2 above.

Within one year, create a minimum of **500 elite, entrepreneurial coaches**, who are qualified to standards that SFEDI haven't yet developed.

- These coaches will already have a brilliant private sector track record.
- Both coaches and the overall coach/ Director of Excellence and heads of specific coaching disciplines (e.g. Winning Business, Leadership etc.), will remain in their private sector roles, but can be



supported by public funding to achieve national/regional objectives.

- Recruitment may be both national and international and some developed from existing stock.

**Create a new Institute of Business Support (InstBS)\***, to which all the elite coaches would belong, together with other private and public sector start-up and small business coaches, advisers, mentors and trainers.

- This new Institute would be based on the IBA (Inst. of Business Advisers).
- It would have the involvement and support of all the other professional Institutes, since it would be linked to existing and new SFEDI standards, endorsed programmes and qualifications.
- All the other professions would look to the new InstBS to provide entry level and CPD (continuing professional development) in the area of providing support to entrepreneurs and small businesses.

*(\* I have avoided the use of IBS as we don't want to be confused with Irritable Bowel Syndrome!!)*



**Fund an Entrepreneurs' Academy** with a physical and virtual base in each region, (e.g. a SFEDI endorsed, existing educational establishment). This Academy would enable existing small business networks in the region to coach entrepreneurs.

- The Entrepreneurs' Academy would be managed by a board of entrepreneurs and coaches from the private sector.
- Together with SFEDI and the InstBS, the Academy would take responsibility for the overall development of coaches/business support personnel, local, approved small business learning centres/gyms and administrators within the new business support infrastructure.

All funding from all government departments for business improvement in small businesses would go through this new, combined public and private sector support infrastructure. The Academy and the Small Business Council would combine to form one policy steering group to oversee introduction of regulations, incentives, programmes and organisations that impact on entrepreneurial advancement and small business competitiveness.



*Testing the New Business Support Model*

