

THE SME BUSINESS LEADERSHIP BIND...

Understanding the SME management and leadership 'bind'

In many SME sized businesses, the leadership and management 'bind' is a consequence of having grown from a size when it was unable to pay corporate salaries, to now needing the additional skills and competencies that come with those higher salaries – whilst at the same time, not investing in the training and development of its existing managers and leaders to the levels required to continue growth and remain competitive.

The consequence of this bind is that management and leadership capability can potentially hold the business back and slow down growth opportunities. The solution is that SME's must invest in developing their managers and leaders 'proactively and ahead of time' to ensure that the business can continue to prosper in the face of stiff competition or difficult market conditions.

The conclusion we have come to in our 20+ years is that the main reason why SME businesses don't adequately invest in management and leadership development is not because the owners/directors aren't aware that training providers are out there, but because either;

- The business owners/directors don't realise or see the consequences of the bind until it is too late, i.e. they tolerate the stuckness, slowing growth and inefficiency... OR...
- 2) Having provided training previously, they found the solutions offered by the market (and/or their approach to buying these service) are too piecemeal or transactional; so the required skills are never fully trained-in at the level of real need.



The cost of investment is insignificant versus the consequence of having untrained managers & leaders

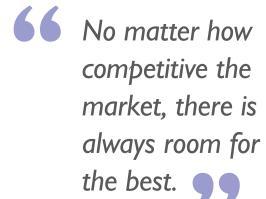
Let's get the economics out of the way... for a cadre of between 4-12 managers and leaders at a time (undertaking the complete Leaders Of The Future programme over 3 years or 36 months) the indicative cost of investment would be in the region of £750-£1.5k per calendar month, i.e. as little as £120-£170 per person per month.

Q. How many of your managers could improve their role efficiency and economic value-add by more than £120-£170 each month if given the right level of management training & ongoing development?

A. All of them...

The consequences of failing to address SME leadership & management development at the right level are these...

- For current market position
 & performance: the business gets 'stuck' at a level limited by current management and leadership capacity/capability.
- 2) For the long-term & legacy: the business cannot grow and evolve as costs increase and inefficiency threatens margins/profitability.
- 3) For directors' peace of mind & frustration levels: having to deal with reactivity, problems coming back up the line, customers being let down, lack of innovation/ vision and the inability to collaborate across business functions.





In corporate businesses, Future Leader programmes are usually targeted at new, graduate-level employees. In an SME, there are a range of skills and behaviours that should be instilled culturally throughout the organisation.

The typical question we get is "so what is required to do the SME management & leadership development job properly?"

Our answer is:

- To approach the task with a continuous development strategy and mindset (ask for our report 'Developing Strong Leadership for SME Business Growth').
- To lay the foundations of management capability to the level of being 'SME best', which means managers & leaders being a key functional part of the long-term business strategy and commercial business outlook.

What is different or unique about SME managers and leaders?

Unlike larger businesses, managers and leaders in SME's have to be able to understand their role in the context of the whole business entity and operate their part of a complete end-to-end supply/value-chain — including reference to industry-level standards. Any dropped balls generally impact customers and/or business profits directly.

Critically, SME managers and leaders must be capable of delivering the day-job, managing people, creating continuous improvement, managing/leading innovation, change & growth; and lastly, do all of this in the context of positive commercial outcomes. Corporate managers don't get to achieve these levels of skill until well into their careers. SME managers and leaders need this level of roundedness much earlier for the business to thrive.



The benefits of professionally developed management and leadership in SME's

If taken as an education and skills training programme in small groups:

The seeds of SME professional competence will have been sown. A kernel of managers and leaders will be equipped in best practice, with the range of skills needed to drive growth and profitability.

If taken as an education and skills training programme 'culturally':

The foundations of SME professional competence will have been fully laid down. All managers and leaders will be equipped in best practice, with the range of skills needed to thrive, as well as to instil positive cultural norms across the business as it evolves and grows.

If taken as a business-wide journey of experiential development:

The business and all its management roles/ functions will be transformed into being active in improvement and collectively managing the process of change & sustainable growth as part of being a long-term successful enterprise.

LAYING THE FOUNDATIONS PROPERLY...

The Leaders Of The Future Programme is to do the job properly

The full programme consists of twelve I-day modules that can be taken in any order and at any pace over a period of up to three years. Likewise, it can be delivered in an intensive format of 2-3 day bursts over a shorter period of time. The modules are listed opposite.

The objective of the Leaders Of The Future programme is to bring together the series of modules needed to form a rounded and competent SME management and leadership team. If the whole programme feels like a major commitment, then talk to us about strategically budgeting the cost of development over time to matchpace your business growth ambitions.

We're here to help you embark at the right level & pace of development

The simple lever to make the programme affordable is to spread it over time...

The lever to make the programme most valuable is to attach a project and/or real live business issues to it...

We can run the programme with a minimum cadre of 4 people at a time, but we can give the best economic return and lowest cost per delegate with programmes with up to 12 people per cadre.

Typical symptoms of failing to develop to this level of SME 'professional best'

- If you don't develop your managers and leaders, the symptoms and business limitations listed on page 2 will prevail.
- If you embark on training and development in a piecemeal way, the costs will be significantly higher over time and the benefits will be hit & miss; and short-lived.
- If you choose to ignore the issue, you will have accepted a sub-optimal/ less than best culture of leadership & management, which in turn will slow growth and create inefficiencies.



Unfortunately, companies often see money spent on developing their leaders and

managers as a cost to be minimised, rather than an

opportunity to be maximised!

The development needed to become a fully-rounded SME business leader & manager

Module	Core Skill Areas
The Effective Manager	 Role purpose, vision & objective setting On-top-of-role clarity & definition Prioritisation, planning & performance Management of self, time & work/life balance
High Performing Teams	 Purpose and unity of teams Individual roles, identity and responsibilities Team shapes and dynamics Task, outcomes, quality and high performance
Authentic Leadership	 Natural human resourcefulness and competence Leadership of role, team and function Delivering customer excellence through value-chains Sustainable economic thinking
Management Excellence	 Defining management & functional excellence Managing people & process from being 'on-top-of-role' Continuous development driving continuous improvement Functional excellence, using KPIs to measure 'best'
People & Coaching Skills	 Rapport & trust for high engagement Hands-off management for high empowerment Coaching and mentoring for high enablement Leading with high expectations
Communicating & Influencing Skills	 Assertive cooperative behaviour using the ADISCO model Owning the effect of our communication, with skills to match Communicating appropriately with different stakeholder groups Effective influencing through leader, manager and coach models
Process Management & Mapping	 Defining the value Mapping the process 'Lean' development and measurement Optimising flow and assuring quality
Process Improvement	 Understanding and controlling your process Identifying sub-optimal and 'less then best' outcomes Root cause analysis and system impact Fundamental solutions and improvement plans
Innovation in Management	 Being an architect of the future Bringing your ideas to life Making the case for change Establishing stakeholder buy-in
Project Definition	 Define the scope & Terms of Reference (TOR) Define the structure of the plan or report Create the substance & roots of the case Executive summary and communication
Creating a Business Case	 In the context of a commercial business strategy Within the discipline of a 15-minute business plan Define the value-creation of your business case With a time-bound return on investment schedule
Sustainable Business Leadership	 Who and what are you as a business; your business DNA & brand Sustainable trade; how you add value for your customers Leaders living, evolving and creating a commercially sustainable future People fit for purpose with wellbeing and work-life balance

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NOT ALL SITUATIONS ARE THE SAME...

The three major variables

There are three major variables to factor in when restarting or embarking on the level of SME management & leadership development that empowers the business to achieve long-term economic sustainability:

- The SME phase of business; Small SME (10-50 employees), Medium SME (50-250 employees) or Large SME (250+ employees)
- 2) The experience & ability of the managers and leaders in the business now
- 3) The level & nature of any training and development that has occurred to get to this point

Smaller SME businesses often rely on the owner/ director having most of the skills required, along with the time and ability to coach/mentor their people 'inthe-line'. These businesses generally have not done any meaningful management and leadership development, so are free to put the right level of foundational development in early.

Medium-Large SME's come with a greater range of starting points because some might employ quite naturally accomplished managers and leaders from previous backgrounds. Others may have had some piecemeal training and already have some of the full range of skills required. Whilst many managers may still have little or no formal or effective management training and professional development.

The starting point for each situation is not the same for all businesses. Let us advise.

Lastly, all training and development needs to be business and environment specific – which means that other skills might also be critical to the foundation-stone journey. An agile learning and development process might be needed to fully integrate the learning. This is why SME's need learning and development specialists like Enrichyou.



The Three Main Approaches

I) On A Budget

This is the drip-feed approach and is generally driven by affordability and/or business operational situations.

2) Skill Areas

This is a paced approach which enables skills gaps and priorities to drive the process and, at the same time, implement skills fully.

3) Transformational Journey

This is an intention-led, organisation-wide development approach which weaves the modules of development into the evolution and growth of the business.

Working directly with the MD/Business Owner, or through the HR function where applicable, we will help you work out the most cost-effective development approach relative to experience, need, budget and business situation.

In SME businesses, Learning & Development can be seen as important, but rarely urgent. Our role as your retained L&D partner is to help you take that equation out of the mix and make investing in your managers & leaders as natural as investing in your marketing and advertising... with measured results and ROI guaranteed.

THE DRIP FEED APPROACH

On A Budget / Operationally or Experience-level Constrained

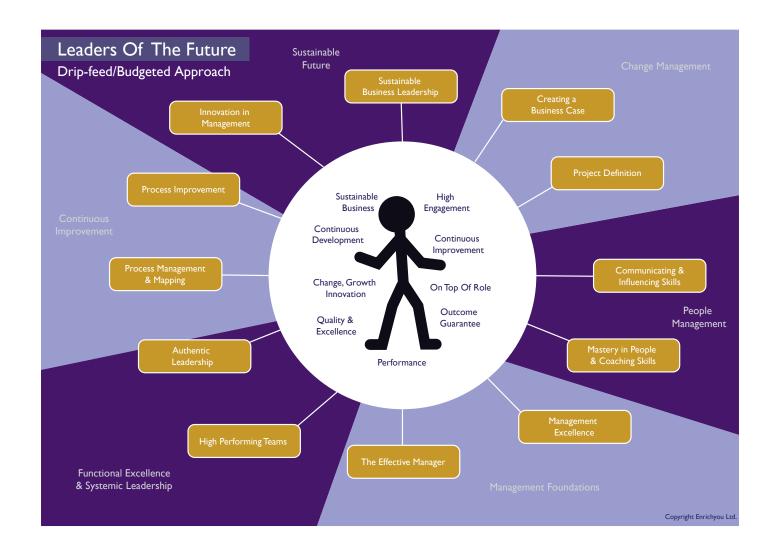
(One or two modules at a time / up to four modules per annum)

This approach starts with the understanding of needing a fully-rounded SME management team, but where the business generally doesn't have the time and/or financial resources to embark on development at any known pace. The choice of this approach might also be a consequence of a very low level of management & leadership experience or capability, in such a way that the pace of learning needs to be low and slow.

The beauty of this approach is that an intention and aim for full SME management & leadership capability can be chosen without any compromise to the long-term strategic aims, but with the pace of development being more 'casual' – "We'll get there when we get there".

There is a natural order to the development process if starting from a green field development position, but equally, can also be delivered in order of business need or priority.

Our recommendation is that all managers and leaders engage with the development process — including directors, where appropriate — even if they have the skills naturally or from experience. It is then not only about learning the skills, but also about being a part of the cultural development process.



PRIORITY SKILLS GAP APPROACH

Development needs driven at a pace that suits the business and the learning journey

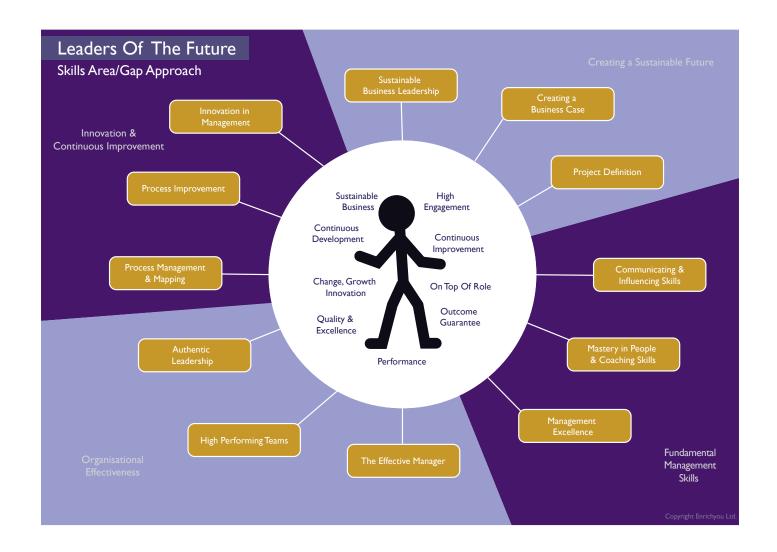
(Rolling phases of development / at your own pace)

This approach is usually adopted by businesses where financial constraint is not an issue and rounded development can be achieved in higher efficacy blocks of development. For example, by covering all of the fundamental management skills in one go or all of the improvement and innovation skills in one go.

Typically the business functions and infrastructure are well established, and it is the leadership and management skills that are now the bottleneck to ongoing commercial success and growth. As such, working around the core SME skills development programmes in the right order for the situation is the general approach to development.

The benefit to this approach is that it enables the start point to be deliberately chosen; i.e. if the business is in a situation where the strategic position in the market is not yet determined or is under fierce competition, the programme can be started by a team of senior managers and at the 'Creating A Sustainable Future' suite of modules. Likewise, if the strategic position is well understood and determined but the problem is translating vision and strategy into operational performance, then the 'Organisational Effectiveness' modules could be started first.

Other industry-specific or business leadership skills can be woven into the core mix, as needed.



TRANSFORMATIONAL JOURNEY APPROACH

Where the development journey is integral to management decision-making and supports forward progress (A process of agile development)

If you are someone who believes that management & leadership skills training is usually classroom based, modular, and is founded on outdated theory which is divorced from reality, then this approach is the complete antithesis.

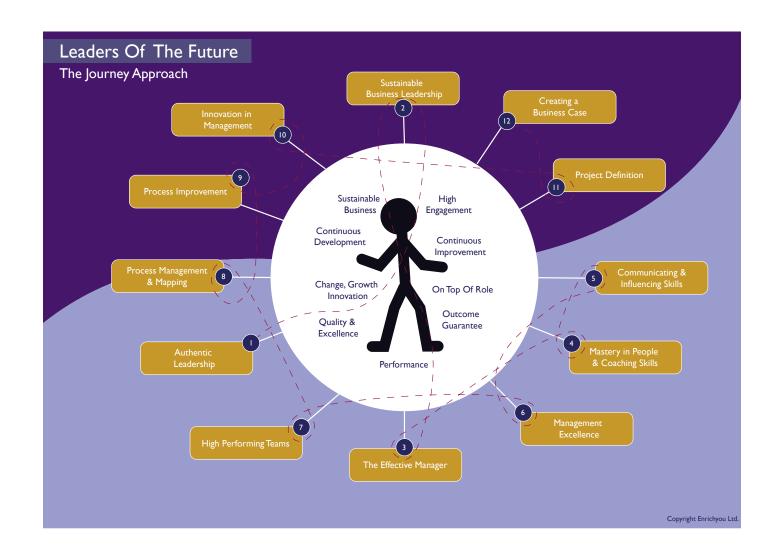
At a simple level you could think of this as I) 'what are we trying to achieve at a business and customer outcome level?', 2) 'what don't we know or can't do that is preventing forward progress?', 3) 'so what do we need to learn next that will get us there?"

This approach could be chosen with a small group or cadre of leaders and managers (probably the most able) who are open to change and to pave the way.

This approach can also be done with the whole of the management and leadership population. We use the development modules to facilitate a 'the skills that you learn today can be implemented into the business tomorrow' approach. We also use the modules to facilitate work on real business situations, challenges, business improvement and change agenda projects in order to embed the skills into the leaders and into the culture of the business.

Ask for case-studies.

As one MD said to his senior team ahead of this transformational approach - "Trust the process!"



FIND OUT MORE...

How to start developing managers, leaders and directors properly for the SME phase of business

- I Come to understand that having a management & leadership development budget is as an essential part of running a business as having a marketing budget.
- 2) Accept that proper development is not a piecemeal, transactional or a one-off injection, but more an ongoing journey, coupled with regular reviews of business progress.
- 3) Think about the affordable monthly budget that the business can commit to, to start a 'foundational SME management & leadership development approach'.
- 4) Identify what, where and who have the most important management and leadership development needs; the priorities, the place to start or the point to pick-up from. (Everybody? Directors? Senior Managers? Front Line Managers?).
- 5) Book a Discovery Call or ask for a face-to-face appointment with your local Enrichyou Director.
- 6) Agree the right intervention to start with, or simply test-drive our market leading approach before committing to a longer-term development.

Ways to get in touch

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Schedule a Discovery Call at your convenience

www.enrichyou.co.uk/discovery





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