

**Responses to Vivienne Rayner by November 19<sup>th</sup> please – many thanks**

## **Skills, Leadership and management**

Many people go into business because they are good at what they do. But to succeed in business, you need to be good at business.

Businesses in the SW have a lower productivity than might be expected from the skills of the workforce. There is a school of thought and some evidence to support it, that one of the reasons for this is a lack of management and leadership skills amongst SW businesses.

To date Government programmes on leadership and management have focussed on businesses with more than 20 staff. With a new programme to be announced in September, the FSB in the SW got that level reduced to 5 staff, so we are making progress!

On the other hand, a number of FSB members with the necessary skills and experience, are concerned that very few of our Colleges or Universities actually know enough about small businesses and the way they operate. As a result some courses are just "cut down" big company training to "fit" small.

Of course there are some exceptions and members have quoted the course at Bath University. Full details at the end of this document.

However, as another member put it: - 'Most SME owners "grow" into their management/leadership position - sometimes they flourish, sometimes they wither. And then the business follows suit.'

Some have described 'Leadership and management as a long line. At one end is 'Leadership' pure and simple, such as you might find in the forces or the rescue services. At the other end is 'Management' in its purest form, looking at long term strategies etc. In between is the making things happen bit, from deciding what to do and how to do it, to communicating with your staff and enthusing them so they can take the right decisions to move the business in the way you want to go.

The sort of things that could be covered in such training are Procurement, Stock Control, Manufacturing and Fulfilment – in a small business they are more likely to be thought of as Buying materials, storing them, making them into desirable things and delivering those things to other people in good time. All these actions require management and good management means a business performs better and is therefore more profitable.

Similarly, deciding which parts of your business other people could do better (more cheaply, more profitably) than yourself and then making it happen is the first stage of people management. So the training would help with describing the job that needs doing and deciding what sort of person and skill needed to do it.

Leadership is then keeping your staff doing what you want them to do, even in some extreme cases when they really do not want to do it.

But as this description makes clear, as the way things are done in small businesses is very different from large so the training (development might be a better way of putting it) has to reflect the difference.

**Can Leadership and Management be taught? Or is 'taught' the wrong word and if so what should we be saying?**

**If Leadership and Management can be improved, what are the key ingredients of a 'good' course? How do we identify useless ones?**

**So far, the FSB in the SW has been campaigning for Leadership and Management to be recognised as an issue for ALL businesses, no matter what their size. We have been calling for a progression that starts when someone first goes into business. Does this make sense to you? Should we carry on with this approach? What else should/could we be doing?**

**If Leadership and Management cannot be improved, what should the policy response of the SW FSB be? Oppose it? Change it? Ignore it?**

Vivienne Rayner – 31<sup>st</sup> July 2007

Amended 15<sup>th</sup> August following member comments

SME Leadership & Management Skills course from The Business Hub at Bath University. (1 Friday morning per month x 10 months). It covered:-

1. What is Leadership & Management
2. Learning techniques for leaders - Action Learning Groups
3. Your Vision and Strategy
4. How do you develop people?
5. Problem solving - assertiveness and contracting
6. How do you create and manage business systems?
7. Creativity and Innovation
8. Your leadership external to the business
9. Pulling it all together
10. Celebration - and analysis of achievement of personal objectives for course.

Everything in this course was based on interaction.

It was solely for owner/managers of SMEs, but, having said that, most people already possessed certain management skills

It was free to participants as it was ESF-funded.