Adding Value to Partnerships

John Hebrard
Small Business Solutions (SBS)

- SBS is the only small business mentoring service in Australia that can offer specialist business mentoring in conjunction with a high level qualification.
- SBS was established in 2007 and have so far helped over 4000 small businesses complete their program.
- The programs are delivered in a workshop environment by industry experienced mentors throughout Queensland.
- SBS is now a key go to referral service to which industry & community bodies refer their members to.
Trends in Small Businesses

- Small businesses play a significant role in the Australian and Queensland economy, accounting for over 95 per cent of all businesses.
- Almost half of employment in the private non-financial sector and over a third of Gross Domestic Product. (ABS 2012)
- The small business sector is characterised by high turnover and a large number of business failures.
- 46% of business starts in Queensland remain in operation after four years (ABS 2013a)
- Many small business operators consider training in business skills a low priority.
- Perhaps because of a perceived lack of high quality training programs and a lack of knowledge of what training is required.
Counts of Queensland businesses as at June 2012

- 62.0% Non Employing
- 22.5% Micro (1-4 Employees)*
- 11.1% Other Small (5-19 Employees)*
- 4.1% Medium (20-199 Employees)
- 0.3% Large (200+ Employees)

Source: Counts of Australian Business (ABS 2012)
Causes of Small Business Failures

- Poor business acumen and strategy
- Poor leadership skills
- Poor entrepreneurial skills
- Poor business planning and organising skills
- Poor financial management skills, poor marketing strategy and competitor knowledge
- Poor understanding of compliance requirements such as industrial relations, work health and safety and WorkCover

ASIC (2013)
Support to Business Partners

- Relevant and targeted courses and subjects.
- Scheduled and regular consultation with businesses and industry groups.
- Awareness of the level of talent and skills available in schools to businesses.
- Expo/function to introduce students and businesses to opportunities and skills/resources available.
- Participation with industry groups such as retail, banks, trade bodies .. to promote the opportunities in engaging with schools.
- Relay success stories and associated cost benefit.
- Develop trusting two way relationships
How Small Businesses Thinks & Plans

- Tendency to be reactive to current situation
- Agile in response to customer needs and service delivery
- Not always structured for consistency of service delivery
- Reluctant to invest in personal and staff development and training
- Consumed with day to day activities and challenges
- Lacking in medium (1-2 years) and long term (3-5 years) strategic planning
- Tendency to make quick decisions
Small Business Solutions & Participating Schools

- Strategies to develop and maintain productive business relationships
- Understanding the needs and challenges of business
- Communicate and update the benefits being offered
- Outline a profile of the services sought after and obtain feedback on relevance
- Cost benefits of relationship, relevant skills, recruitment, ramp up time.
Workshops & Mentoring

- Is the purpose, the mission, clear and does it reflect what the business does and wants to do?

- Who does what, are skills, experience & competency relevant to the responsibilities and expectations

- Who reports to who? Why? and are key people in key spots?

- Are there job descriptions and performance reviews.

- Are there systems & processes to deliver the services and measure the success thereof.

- Understanding of legal requirements.
Workshops & Mentoring

- Communicating and living the mission & purpose. It becomes the pitch and the common goal of your business – culture.
- Generating an environment where there is;
  - Recognition
  - Communication
  - Empowerment
  - Development
Workshops & Mentoring

- The levers to manage operating cash flow.
  1. Sales
  2. Expenses
  3. Receivables
  4. Payables
  5. Inventory
- Identify the silent and deadly signs in your business.
- Spot the profit drain.
Workshops & Mentoring

- The 2 essentials in business – Marketing and Innovations – Peter Drucker
- Define your niche.
- Who are you delivering the product/service to?
- Who is the target customer?
- Is there a demand?
- What the buyer look like and think about? Who should I be devoting more time to?
- What are the biggest problems/pains/issues of the ideal customer?
Workshops & Mentoring

- Have you articulated the value you offer to your staff & customers?

- 4 ways to grow your business;
  1. Marketing for more leads.
  2. Conversion rate to clients.
  3. Average spend per customer.
  4. Number of transaction per month/year.

  = Total Revenue
Support to Entrepreneurs in Partnership with Schools

- SBS program will equip with business, marketing & financial plans
- One on one mentoring to implement the business plan
- Follow up mentoring to review progress of business
- Network environment during and following workshop
- Awareness of where to obtain relevant business information
- Development program to maintain and develop skills
- SBS and schools partnering in information events
Key Features of Small Business Solutions

✓ Mentoring or coaching
✓ Highly customised programs
✓ Business analysis to resolve key issues
✓ Short programs
✓ Accreditation of individuals
✓ Australian qualification framework compliance
✓ Recognition of prior learning
✓ Services through partnerships
Questions