

BY SMES FOR SMES – IBD GIVES BUSINESS THE EDGE

You would think that running a small or medium sized enterprise these days would be easier than ever before – after all, there has probably never been the level of business support services and advice available to SMEs than there is today.

If that's the case, then why are SME managing directors across all sectors reporting that they feel isolated, lonely, plagued by Government bureaucracy and desperately short of their most valuable commodity – TIME?

That was the conundrum facing business support specialist Alan Ford and three of his colleagues as they discussed the problems and challenges facing their SME clients. Ford explains: "The typical owner-director has built a company with his own expertise, wearing half a dozen hats, working 50 or 60 hours a week with no holiday in sight, he's harassed and he can't see a way out."

The "typical" MD, according to Ford, is getting no help from his bank, no practical help from his accountant – and is extremely wary of people calling themselves consultants. "To him,

'consultants' means long reports, long timeframes and serious money. That's not what SMEs are about these days," says Ford.

Many MDs commented that unless an adviser had actually been in the position of running a business, they would not be able to understand the real issues. "That was a key factor – SME directors do want help but only from people who can truly empathise with their situation," says Ford. So last year he and his colleagues set up Initiatives in Business Development (IBD), a business support organisation dedicated to delivering practical help and support to SMEs. As Ford says, IBD is "designed by SMEs for SMEs – and there to make a difference."

Ford and his fellow directors had all been in the business support sector for at least eight years and all came from senior positions in industry, giving them the kind of experience necessary to assist all kinds of

businesses and to grow IBD into a successful organisation.

The vast majority of small businesses are started by someone who wants to develop a particular product or service in complete autonomy, away from the politics of the large-corporate world – and looking forward to the challenge of being their own boss. As their idea takes off or the company starts to grow, so they become sucked into day-to-day management and administration issues, often dealing with problems they had not envisaged when they started the company. Also as the business develops, they need additional help – maybe in marketing or PR, or securing finance for new products, creating or extending a Website, ideas for exploring new markets or to start exporting. But they don't need full time new directors, they need specific expert help for a specific task or project, or maybe to provide a few days

of high-level guidance and planning each month or quarter. But as one of Alan Ford's clients put it: "I don't have the time to keep chasing around local suppliers and getting quotes and waiting for the right people to come and help me." This is where IBD comes into its own: delivering skills and services from its pool of expert, experienced members and managing the whole process.

Based on the experience IBD directors had brought from working with SME clients over the years, they developed the IBD Tool-Kit, an innovative and comprehensive method of reviewing all aspects of a business operation, identifying its strengths and weaknesses and then applying the most effective practical improvements. Ford says: "The Tool-Kit ensures that we ask the right questions to identify whatever it is that's stopping that business moving forward or prospering."

Terry Forrester, IBD's training director, comments that the assistance IBD can give to businesses is only as good as the quality of IBD members. As a result, IBD has stringent recruitment criteria to ensure that applicants have an appropriate level of experience and expertise and have operated at senior executive levels in business. Once accepted, all members receive comprehensive training, mentoring, coaching and a continuous support programme including online management information and email facilities to share business opportunities and to solicit assistance for client projects from other skilled members.


Forrester stresses that an important differentiator of IBD's approach is that while clients can save thousands of pounds, they do not have to pay a penny upfront. IBD has a strict ethical code, and it does not ask for money in advance of any services being delivered. "We know our work is good and that if we agree to take on a client, their business will benefit," Forrester explains, adding that the initial meeting with a prospective client is always free and without obligation – on either side.

"We will always be very selective about our members and our clients," Ford explains, "and our services are entirely flexible, focused on what the client needs at a specific time, because we are extremely sensitive to the need not to overwhelm a small business operation." IBD now has 130 advisers throughout the UK and its strategy is obviously working. Ford estimates that to date, the organisation has assisted some 700 businesses, and he adds that they have been approached by people in Germany and France asking if IBD will transfer its business model.

Many IBD members are between the ages of 45 and 55 and have taken early retirement. IBD operations director Fabio Milone says that while the ageism inherent in British business has meant many experienced executives leaving work at an earlier stage in their lives, this trend does mean IBD has a wider choice of candidates. Milone says that the combination of maturity and experience offered by IBD support advisers delivers enormous benefits for today's SME managing directors and

owners. "In an ideal candidate, I'm looking for experience, confidence, ambition and integrity," he says.

Terry Forrester says: "We are all based in different parts of the country and our clients come from a wide range of industries, but a common theme we hear from prospective clients is a sense of disappointment that managing their own business has not delivered whatever it was they set it up to deliver." Whether it's commercial success, public recognition, financial reward, bringing a new product or service to market or simply the satisfaction of being their own boss, it just wasn't happening – and these MDs are able, experienced executives. Forrester says that a major objective of the work he does with his clients is to show them that running a business can be enjoyable again – it doesn't have to be hard slog all the time.

But the statistics show that for many SMEs, the hard slog just isn't worth it. Last year, there were 373,480 business start-ups in the UK – and 433,879 closures. The Department of Trade and Industry estimates that 500,000 new businesses will start-up in the next twelve months. In the light of last year's statistics, maybe this is indeed a triumph of hope over the bad experience of others? "But at least those half a million start-up companies can take comfort in knowing that there is an organisation like IBD out here to support them," says Alan Ford, "and WE are certainly here for the long-term." 



IBD directors – Alan Ford third from left