

LEARNING TO UNLOCK POTENTIAL

Be honest now – when times get tough, which is the first budget you cut? It's training. You wish it wasn't, but that's the way of the world. And which is the last budget you should be cutting? Yes, it's training.

When business is difficult, that is precisely the time when creating new leads and driving sales should be top of the agenda, so training your sales and marketing people needs to take highest priority.

Terry Forrester, the director of training for the SME support organisation Initiatives in Business Development, has many years' experience training all levels of management and staff in companies of all sizes. "When times are good," he says, "all areas of a business will tend to pile on the pounds, both metaphorically and financially, and smaller companies in particular will tend to ignore any less-than-effective employees."

During those plentiful years, Forrester explains, when targets are being met and exceeded, the company can "afford" a few low-performers. "Unpleasant decisions such as laying off people or putting in performance improvement programmes can be deferred," he says. "But when the management comes under pressure, if new enquiries start drying up and the order book gets thinner, in that situation the instinctive response is to start taking cost out – and off they go, hacking at the budgets."

Forrester cautions that such drastic actions can be entirely counter-productive. When the markets are toughest, he says, the companies that will survive are those that have invested in proper assessment of their employees' performance, ensuring that training is

BY SHARON PINK

provided to correct identified weaknesses. "You can tell who the winners will be," he says, "because above all they've developed the mindset of continuous improvement throughout the business."

The need for continuous training starts right at the top. "This means you," says Forrester. "The most influential executives in any company are the managing director and the sales director. Who trains them? A significant percentage of an MDs' time will be spent talking to their most important customers, but many MDs I meet have never received one single hour of management training."

Where does a managing director go for training? Many say they have no idea – and no time for training either. Forrester says that in his experience of working with SMEs, too many MDs are managing by instinct or 'gut feeling'. "Where the company is successful, clearly the MD is getting it right more often than not, but is trial-and-error the best way to run your business?" he asks.



Terry Forrester, IBD director

"Lifelong learning is about people growing and developing all the time, both personally and professionally."

CASE STUDY – MULTI-LAYERED TRAINING IMPLEMENTATION

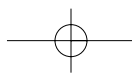
"The fourth-century Chinese philosopher Lao Tze said: "Tell me and I forget, show me and I remember, involve me and I understand." This is the principle underlying a training programme for over 800 staff in a multi-site construction organisation to ensure that the objectives of investing in an electronic document management system are achieved.

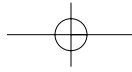
As the company pursues its aggressive growth strategy, it needs the benefits of national access to its knowledge base. It also needs controlled business processes to manage the secure and efficient movement of its business-critical information. The training programme is designed to ensure that all users are involved in the roll-out, that they understand not only how to use the system but also their own role in the associated business processes.

Using focus groups, 'train the trainer' techniques, pilot runs and one-to-one support, the training can be cascaded through all levels of the organisation. By measuring and sharing the improved results, managers and employees build confidence in the system and their own abilities to work with it. The training programme gains its own momentum. It works very well! **4**

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Equally concerning, according to Forrester, is that many SME sales directors have received no formal training. "If you rely on your sales director to recruit, motivate, monitor and control your sales force, then that person is key to the effectiveness of your business," he warns. "Don't underestimate the dangers of leaving these critical factors to chance – because they will be cruelly exposed in times of recession or expansion."

Many of these directors and senior executives would take advantage of training that was cost effective, meaningful and allowed them to take informed decisions rather than rely on guesswork. The best time to plan and implement this training, Forrester says, is right from the start, building the cost directly into your business plan and never taking it out. "When I'm working with companies helping them to grow and prosper, we keep that focus on training throughout and we make sure it involves everyone – on a regular basis. For those MDs, training isn't seen as a cost, it's an essential investment in their success," he says.

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FINANCIAL CONTROL

An initial meeting with the MD of a waste disposal and plant hire company with annual turnover of £10million revealed healthy profits – but a negative cash position. The MD could not understand how this was happening. She had full audited accounts (but no management accounting) but did not have the financial knowledge to understand them. My initial assessment found debtors in excess of £2.5m and a complete lack of control and management across the business. My brief was to educate and train all levels of management, including the MD, involved in the sales order processing, invoicing and credit control functions. Training included understanding the balance sheet and P&L as well as the effective management of invoice production, query resolution and cash collection. The staff were assessed and trained and we delivered them customised procedures manuals and templates for all business documentation. The programme was an intensive, but highly effective process that stamped a significant emphasis on training and retraining across the business. Within two months of our direct involvement with staff and customers, debtors were reduced by £1m and the company's cash position was restored. **4**

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I started with nothing.

I still have half of it.

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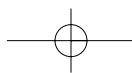
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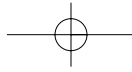


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“Lifelong learning might sound like one of those cute management catchphrases,” Forrester concludes, “but it’s a solid concept that reflects the reality of business today. Unless management AND staff are confident that they are continually increasing their personal asset, the employees won’t stick around and the companies won’t succeed.”

GET PRACTICAL

Peter Moody, the founder and managing director of PDM Training and Consultancy Ltd, is a strong supporter of the practical applications of lifelong learning for all employees. PDM is a specialist training provider primarily renowned for its work with army departments but also now a significant force in private sector training.

Moody says lifelong learning is about people growing and developing all the time, both personally and professionally. In real terms, lifelong learning acknowledges that there are no “jobs for life” any more, that people today can expect to have two or more careers in their working life and that these career changes might be wholly outside their control, led by market forces and business needs. “Lifelong learning is an effective way of anticipating and initiating career change, rather than simply reacting to it,” Moody says.

Moody himself was educated to masters degree level while he was a serving army officer. Now that he has his own business, he is proud of having been able to “put something back” into the process of delivering today’s modern armed services.



Peter Moody

One of the first projects that PDM carried out for the army derived from Moody’s observation that new recruits did not achieve any accreditation for the intense military training they received on joining and that their security training was not completed until after their 12-week induction programme. Moody believed that he could add real value through developing an appropriate qualification that would meet the needs of the individual soldier and the army as a whole, because if this training could be incorporated into the induction schedule, the new recruits could earn a level 2 NVQ in safety and security from their first three months in the job.

With encouragement from the army, Moody designed a programme and identified that most of the teaching and assessment could be carried out as concurrent activity such as during the time allotted to rifle range practice, where only a dozen recruits can shoot at any one time and the others have to wait their turn. PDM

delivered the Safety, Security and Loss Prevention programme and it was successfully implemented within the induction course. The new recruits benefit from the additional security training and are better prepared before moving on to their trade training – a major benefit for the army. The trainees also finish their induction course with a qualification that is valued not only in the military but also in the outside world: for many of these 16-18 year olds, their first formal qualification.

The army was confident to outsource this training to Moody and his colleagues knowing that they understood the forces’ infrastructure, methods and requirements. As Moody explains, “Today when you hear about “the modern army”, this is not just a reference to the latest techniques in intelligence or weapons design; it’s about the way the army trains and develops its people and the all-round management skills it provides – such that the term ‘army training’ comes to mean people who are better prepared than ever before for further careers in industry and commerce. And of course PDM is delighted to be a part of that transition.”

As well as continuing its work with the military, PDM delivers an extensive range of training and development courses for private sector clients and has acquired an in-depth understanding of the needs of smaller businesses. “The demands on management today are completely different compared with even 10 years ago and can require a significant learning curve among people who are accustomed to more traditional management styles,” Moody explains.

Today, he says, the emphasis is on managers to be good coaches and facilitators, to recognise and bring out the potential of their people.

The PDM organisation has recently achieved Investors in People accreditation. As PDM director Justin Potter announced to all employees, “We have not done this just to get the T shirt. We’ve done it because continuous development of our most important asset – which is all of you – is one of the best investments we can ever make.” Terry Forrester would heartily approve.

As Peter Moody sums it up: “In a business environment where change is a constant, those people with the capacity to adapt and recreate themselves – time and again if necessary – will be the most successful. Businesses, in return, need to continue to provide challenging work in an environment where their people can develop and grow. Lifelong learning is a way of life – in my company and for all our clients.” **Z!**

“Lifelong learning might sound like one of those cute management catchphrases,” Forrester concludes, “but it’s a solid concept that reflects the reality of business today. Unless management AND staff are confident that they are continually increasing their personal asset, the employees won’t stick around and the companies won’t succeed.”

