

Effective Business Mentoring: Promoting Growth and the Big Society

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Small and medium-sized enterprises (SMEs) are the key to economic growth: a loud refrain heard from all quarters in the UK these days. A little less loud, but significant nonetheless, is an understanding amongst policy makers and practitioners of the importance of enterprise diversity; for example, the need to encourage firms that operate in different sectors and with diversity of ethnicity, gender and age in their ownership, if the country is to fully grasp the opportunities for growth and social improvement. Converting these policy insights into effective action and outcomes has been made more challenging, however, by the difficult economic and financial environment and the related retrenchment in the availability of business support. At the same time, these difficulties are a real spur to imagination and innovation on these agendas. There is a premium on inspiring and collaborative leadership to boost business survival and growth and to engage diverse communities in this process because diverse businesses have made a huge contribution to the British economy over the past few decades in terms of output, jobs and innovation and the potential for this contribution to grow in the future is huge. Research conducted Birmingham suggests that peer-to-peer business networking and mentoring is central to business growth.

The formation and development of these networks can contribute to the government's policy agenda in several significant ways:

- Lessening reliance on public sector support, which is undergoing drastic retrenchment
- Promoting business survival and growth, thereby contributing to the policy objective of 'rebalancing' the economy towards private sector growth. Where larger, corporate firms are involved in mentoring smaller firms, experience shows that business benefits accrue to both the mentor and mentee
- Enhancing self-reliance in deprived communities, particularly when networks of ethnic minority businesses (EMBs) or other inner city based businesses are involved, by harnessing the skills and resources of local businesses into strengthening their local communities, an outcome that dovetails with the Big Society agenda.

Our research evidence strongly suggests that mentoring and business networking development are powerful tools for achieving the government's Big Society, private sector growth and economy rebalancing objectives. They are of particular relevance for businesses from a wide range of ethnic minority communities who suffer from weak access to support networks and mentoring. These tools are also relevant for both new business start-ups (the focus of government statements to date) and for supporting growth-orientated businesses.

Implications for Policy and Practice

Peer-to-peer business networking and mentoring can make a real difference to the ability of local economic partnerships and others to deliver the government's growth, economic rebalancing and Big Society objectives. Much has been made of business mentoring in current enterprise policy, in part because it draws to a large extent on private rather than public resources. However, evidence suggests that mentoring is most productive, and beneficial to both the mentored business and the mentoring business, when it is not a flash in the pan but is based on longer term, trusting relationships built through developing a deep understanding of each other's businesses. Successful mentoring models have included peer-to-peer business mentoring between small and medium sized firms, larger corporate mentoring smaller firms following a careful process of getting to know each other, and senior employees of banks working with minority ethnic businesses.

We have gathered plenty of anecdotal evidence from working with business of the value these networks provide.

Wade Lyn, Managing Director of Cleone Foods, points to a 30% increase in listings in supermarkets and the launch of a new cocktail line which is now widely stocked "I think the biggest difference for my business has been my capacity to be more adventurous, and strategically plan and invest in the future."

Dennis Storrard and Ian Harris of ID Security Systems report a more strategic penetration of the corporate new build property sector. The peer group mentoring system has "given us the opportunity to have a board of directors to learn and develop from, and ... gave us the confidence to develop new markets and take planned risks."

For us this represents a practical way to deliver more effective and sustainable business growth and to expand these ideas to communities traditionally excluded from mentoring opportunities. We encourage those involved in policy to take on board these proven models rather than simply employing rhetoric about the importance of small business growth.

For more information about the mentoring initiative and Enterprise & Diversity Alliance, please contact Professor Kiran Trehan: k.trehan@bham.ac.uk (<mailto:k.trehan@bham.ac.uk>)

Note:

The Enterprise and Diversity Alliance (EDA) is led by Professor Kiran Trehan and Professor Monder Ram and is a new-generation response to transforming communities and corporations through mutually beneficial enterprise activities. Backed by the British Bankers' Association (BBA), leading policy-makers and professional bodies, its ambition is to 'make diversity and enterprise everyone's business'.