

Choosing the right business support solution



By [Anton Ressel](#)

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The welcome recognition by the government and other role-players that the SMME sector is indeed crucial to our collective growth and survival as a nation has had an interesting side-effect. With more money being made available at both private and public levels for the support and development of emerging entrepreneurs and small businesses, it seems that every second person you meet these days is a business support practitioner or consultant of some description. I should know, I am one too ...

While an increase of options and opportunities for the small business owner looking for some help is a good thing, there is a flipside. More players jumping into the feeding frenzy can, and often does, have a negative correlation on the quality of the actual services delivered.

The government needs to be commended for the size and capacity of SEDA and the other national SME support organisations that it funds, many of which have a broad offering of services for SMEs. However, I have been disappointed by the quality of some of the work that they produce. By way of example, one of the participants in a programme, for which I am a senior consultant, recently asked me to review a critical planning exercise prepared for his business through one such government-funded agency. To call the document generic would be far too kind. One could almost see the "consultant" sitting hunched over her laptop, blindly inputting figures into her business analysis tool and proudly presenting the drivel that was the result as the solution to all the business' problems. In case you think I am exaggerating, here is a little snippet for you: "The bank balance starts at R9000 on 1 May 2013. At the end of April 2014, it will be R223,869. This shows a negative trend and needs to be managed." Um, okay ...

A blinkered approach

This obsession with strategic analysis, playing the numbers game and churning out business plans is a blinkered approach to helping businesses grow and be sustainable, in my opinion. Of the 300 or so small businesses that I have engaged with over the past few years, either as a mentor, consultant or simply an interested party, less than 5% of them actually use their business plan for anything other than applying for funding - and some of these businesses are turning over millions annually. What businesses do need is sound advice from someone who really knows what he is talking about, and provides practical, relevant and usable solutions.

I am not saying all this analysis and introspection has no place, far from it. Many large new ventures, or companies looking to expand into new arenas or chase rapid growth, find a solid strategic plan to be of immeasurable value. But simply to send an aspiring entrepreneur who has come looking for practical assistance on his way with a slap on the back and a thoughtless, generic business plan in hand, is a waste of everybody's time and money. Similarly, offering business training

(accredited or otherwise) in isolation, as so many providers seem to do, has about as much lasting impact as trying to store water in a sieve. Without follow-up support, the best training in the world has little long-term impact.

If all this sounds depressingly familiar, fear not. There are some great programmes out there, ones that are making a real and sustainable impact and helping many small businesses become medium, and in some cases even large players in their respective sectors. Here are some of the elements that aspiring business support seekers should look for when looking for business support, mentorship or trying to determine the best solution for their needs:

- **Holistic and multi-faceted:** A good business support programme does not operate in silos. There should be a combination of training, face-to-face mentoring/support, ongoing engagement, remote learning and constant communication happening. Assisting with systems development or the facilitation of access to markets and finance is a bonus. Legends and SAB Kickstart are good examples of multi-faceted programmes.
- **Responsive:** You never want to feel like a number. If the programme or person is unable to recognise your unique and individual challenges and needs, move on.
- **Nothing should be for free:** Like all things in life, you get what you pay for. Having a vested financial interest in the work being done is also more likely to ensure your own buy-in.
- **Medium to long term:** There is no magic wand that can transform your business from sluggish and stuttering to turbo-charged overnight. Sustainable change takes time - the Old Mutual Legends programme takes in new entrants for a two-year period, and many of the more established business incubators will not engage with participants for anything less than 12 months. The provider who promises to turn you into Donald Trump after three days of training might as well be selling snake oil.
- **Practical:** If you want to learn the theory behind why your business is in the doldrums, study for a BCom or an MBA. If you want to learn how to get it out of the doldrums, find a practical and needs-based business support programme, mentor or organisation that can show you what needs to be done, and gives you the tools to do it.
- **Run by successful business people:** Just as you would not choose a morbidly obese personal trainer or a dentist who has terrible teeth, so too should you be very choosy when selecting business support services. If the trainers, and even the people in charge, have never run a business themselves (and you would be shocked by how often this is the case), be very wary.
- **A comfortable fit:** Finally, you would be well advised to find a business consultant or support programme that has some understanding of where you are as a business. Years of experience spent developing strategies for corporate restructuring or turning parastatals around may look incredibly impressive on a CV or website, but is it in any way relevant to your specific challenges or needs?

On a personal note, I wish I had known some of these parameters mentioned above when starting out in business myself. One of the companies I was a director of was a producer of handmade gifting and décor products, employing around 100 people and exporting to 20 countries. We engaged a mentor of the highest calibre in terms of credentials and business experience - he had successfully built and run his own multinational company and was heavily involved with one of the most prestigious business schools in the country. He had a fantastic combination of practical experience and academic learning - on paper he was the dream guy.

What he did not have, however, was an understanding of the precise nature of our business, of the fact that a handmade production line is vastly different to an automated one, of the negative results that are sure to follow when you try and turn a niche, high-margin product into a mass-produced widget. To cut a long story short, his "support" for the business ended what had up to then been a pretty dynamic partnership and saw the business go from posting a record profit one year to almost being bankrupt the following.

The School of Hard Knocks

Finding a business support partner who has been where you are sitting, who has taken all that learning from the School of Hard Knocks and used it to develop programmes and support that are practical, holistic and needs based, is worth its weight in gold - not just to your business on an individual level, but to the nation as a whole. While government-funded programmes have achieved good throughput in numbers, be wary of the quality of information they provide. Incubators and

ED specialists, such as Aurik, Fetola, Raizcorp and others are doing sterling work, and programmes like Legends and SAB Kickstart have delivered some impressive results. The sharpest of business owners use a combination of offerings - free government support and proven results-driven ED providers.

Your small business is important, not only to you, but to the country. Frankly, it deserves the best support you can find. Please, be choosy. Our collective future may just depend on it.

ABOUT ANTON RESSEL

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