

About the SME market, Entrepreneurs and the role of Mentors

Most people think of Entrepreneurs as those who have made it - and usually made it big-time - and in big organisations.

The reality is that the bulk of entrepreneurial activity is elsewhere. Part is hidden in a variety of businesses which are working hard to change themselves to cope with unprecedented market and economic changes. The rest is at the other end - the SME end.

Most SME owner/managers don't actually see themselves as Entrepreneurs. They see themselves as ordinary people doing something they want to do, (or don't see any other option) oblivious to the high levels of effort and time that are part of the process. But they have in the back of their minds that, sometime, someone is going to buy them because of what they have created. The attraction to larger businesses in buying a smaller business with a great product is that they don't have to take the risk or spend the money in creating the product from scratch.

The reality is that Interim Managers themselves are SMEs - but many have large company background and have made a successful change. Most of them are also probably entrepreneurs as well.

This is how the EU defines an SME:

A small enterprise has a headcount of less than 50, and a turnover or balance sheet total of not more than €10 million. A medium-sized enterprise has a headcount of less than 250 and a turnover of not more than €50 million or a balance sheet total of not more than €43 million. The EU has a third category called Micro Enterprises. A micro enterprise has a headcount of less than 10, and a turnover or balance sheet total of not more than €2 million. UK company law presents a slightly different definition but for our purposes, the EU definition is good enough.

This is how BIS describes an SME:

- There are 4.8 million small businesses in the UK
- They turnover £3,200bn
- Small firms employ over 59% of the private sector workforce
- 22.8 million people work in small firms
- SMEs account for 99.9% of all enterprises

About Business Mentors, generally...

There are differing definitions and understandings. Here are a few definitions:-

Business mentoring is a relationship between an entrepreneur and someone with business experience who is willing to act as a guide. The business mentor offers advice, guidance and support to help the entrepreneur run a business.

Business mentoring is a two-way relationship. It is not just an opportunity to pick the brain of a more experienced entrepreneur. Both parties must be committed to achieving certain goals.

Business Mentoring can be formal or informal. Not all mentors have to be formally established as such. Friends, family and business contacts can all become involved in unofficial mentoring. Mentoring is a great way of getting business guidance and support on an ongoing basis. You choose how formal or informal you want the process to be.

Mentoring can often be free

Russam Business Mentors are senior experienced business people, doing serious work and charging for what they do, albeit at the lower end of their market value.