

## Interview: Gerard Burke

### *Growing Your Business*



<b>SM:</b>	Hello, this is a Cranfield School of Management podcast. I am Steve Macaulay and I am interviewing Gerard Burke today about a book that he has co-authored called <i>Growing Your Business: A Handbook for Ambitious Owner Managers</i> . Now Gerard, I wonder if you could give me some context book – what its overall premise is, what is it aiming to achieve?
<b>GB</b>	Hi Steve. <i>Growing Your Business</i> is a book that is aimed very specifically and designed very specifically for ambitious owner managers, so people who own and run their own businesses and who want to grow them in some way. Now growth isn't necessarily restricted to just growing the size of the business, sometimes it's also about other factors: about improving the business in various different ways, perhaps thinking about succession or putting in place a management team or beginning to think about exit from the business. The whole premise of the book is that anybody in that position of being an ambitious owner manager, what they want is for the business to be different and better.
<b>SM</b>	So growth in this context is about being different, being better, achieving change?
<b>GB</b>	That's right. It's not simply growth in size, if you like. So if we accept that all of the people who would be interested in this are interested in their business being different and better in the future compared to the present, then the book starts from the premise that that different and better future is more likely to come about if those people can do two things – firstly, that they can very clearly articulate what that different and better future is; and secondly, that they can put together a very clear, robust and comprehensive plan of what they have to do to get them from where they are now to where they want to be and so the book is based around a process and it's a planning process: a process of the development of a growth strategy and a plan to implement that strategy for the individual reader's business. So, it starts from the assumption that the individual reader has a business that they are seeking to grow.
<b>SM</b>	And it's a very practical book, isn't it? It's called a handbook.
<b>GB</b>	Absolutely, its hugely practical and hopefully real and realistic in that as I said it starts from the assumption that the reader has a business that they are trying to grow and develop, and it helps them through a process of putting together a plan by which they are going to achieve that growth and development and so the most practical

	<p>part, I guess, of the book is a series of what are called assignments that are at the end of each of the chapters of the book, whereby if the reader actually undertakes each of those assignments and applies them in their business and puts all of the output together, they will have everything that they need for the growth strategy and their plan.</p>
<b>SM</b>	<p>Now, as I understand it, there three broad areas that you get people to look at by answering three questions: where are we now; where are we going and how do we get there? It starts off with a bit of understanding – where are we now? And I imagine that small businesses are often weak in this area.</p>
<b>GB</b>	<p>I suppose the point of the where are we now stage of the process and using that as a starting point is twofold: one is that it is important on any journey to know where you are starting from; and secondly, I suppose that if you put yourself in the shoes of somebody who is running and managing their own business, it is a very busy life typically, they rarely have the opportunity to stand back and observe and look at their business from a different perspective and so by encouraging that standing back and offering the owner manager a series of different perspectives, different spectacles, if you like, through which to look at their business, not only is that very useful in understanding their starting point for their journey, but it also tends to allow most people – most owner managers – to identify immediate things that they can do to improve their business and those immediate things, of course, can generate immediate benefits which of course is great for everybody.</p>
<b>SM</b>	<p>Now the next stage, I can see that having that insight is really important, is where are we going and I imaging that pinning that down is pretty crucial.</p>
<b>GB</b>	<p>The where are we going is the nub of the whole process, if you like. In the owner managed business it's even more critical in that in the owner managed business it's simply not possible to disentangle the business from the individual owner managers themselves. The reason that an owner managers business looks and feels the way that it does today and it has the particular challenges that it has today and it has the opportunities that it has today, is because it is that person's business and the future of that business is going to be primarily driven by that individual owner manager's own personal goals, personal drivers, personal ambitions and so that starting point for thinking about where are we going in an owner managed business is not simply a conventional business analysis of the external environment and the capabilities of the business and so on, it is also intimately tied up with the personal goals and drivers of the individual themselves and so in working through the book and in the programme of which the book is the supporting text, we place a great deal of emphasis on helping the individual owner manager to</p>

	understand what the future is that they want for themselves and then to think about the business as a vehicle to help them to achieve those goals.
<b>SM</b>	I was fascinated to read some of the descriptions where some people say well, actually I don't want to be part of a bigger future, I want to exit from this.
<b>GB</b>	Yes, I mean, there are all sorts of different drivers that individuals will have and that is driven by a whole range of different factors, so it might be to do with their personal drive, it might be to do with the stage in their life that they are at, it might be to do with their particular risk profile, it might be to do with other things that are going on in their life – the stage of their families and their kids, and in a family business that can be a very important feature. So those personal drivers are hugely influential in setting the scene for saying ok, well actually do I want this business to become. So, yes, that is a very, very important and crucial part of the process and makes it very distinctive to the owner managed business setting.
<b>SM</b>	I enjoyed reading your descriptions of <i>artisan hero</i> , <i>meddler</i> or <i>strategist</i> .
<b>GB</b>	<p>Yes, this is one of the key pieces of content, if you like, of both the programme that the book supports which is called the Business Growth and Development Programme or BGP for short, and indeed the book. And it's based on some thinking about the way in which owner managers tend to spend their time and how that develops over time.</p> <p>So most owner managers will start a business because they have a particular skill or capability, or a particular network or an ability to do something which somebody is prepared to pay them for and so they start a business and typically that is what we call an <i>artisan</i> business - so, a plumber who plumbs, an accountant who accounts, or a solicitor who solicits is an artisan. What happens then is that they get good at doing those things and more and more customers come to them, and so they need to take more people on to help them deliver the work. At which point they become more and more busy because they are still having to bring the work in, they are still having to deliver the work and they have got these other people that they are having to manage, and at some point, I guess, they have got to get the invoices out and collect the cash.</p> <p>And they become what we call the <i>hero</i> because they are still the person who probably has the most highly developed skill in that core thing around which the business is built. They are probably still the person that all the customers want to talk to, they are still the person that all the other staff in the business comes and asks when there is a problem or a challenge or something that needs something out – and so they become the person around which the whole business</p>

	<p>revolves and depends and that is a two edged sword because it can be hugely gratifying and great for the ego to be the hero and the person that everybody needs and the person who fights all the fires and if you are a great firefighter, the thing you need next is another fire to fight. Of course, it is self limiting on the business because once you are operating at absolutely full throttle that's it – the business can't grow any further.</p> <p>So the next step of course is that people think well actually what I need to do is to employ some people to share my workload, to do some of the things that I normally do and so they recruit a management team and at which point many owner managers fall into the trap of becoming what we call the <i>meddler</i> because these people that they have employed, of course, don't do things quite the same way as the original owner manager did and by definition therefore, it's probably wrong. And so, the original owner manager tends to look over their shoulder all the time and point out areas where it is not quite the way that they would have done it and in the worst cases they end up redoing the work of the people that they have employed and so they end up working even harder than they did before, and then what tends to happen, of course, is that either the management team gets a bit miffed about this and thinks I am not staying around here to be told what to do all the time, so I'm off. Or the owner manager gets a bit fed up with it and says well I might as well go back to being the hero and doing it all myself. And so people tend to oscillate between these two roles quite a lot.</p> <p>The trick to allow a business to grow and develop and flourish is for the owner manager to be able to make a transition that we describe as being from hero to what we call <i>strategist</i> where the owner manager can successfully delegate and empower other people to do many of the roles, many of the tasks that they previously did themselves and can then spend some of their time looking forwards and outwards from the business, thinking about what the business needs to become in future.</p>
<p><b>SM</b></p>	<p>Now, I imagine that the process of becoming strategists is quite a tough one?</p>
<p><b>GB</b></p>	<p>It is, it's one of those things that is quite easy to describe and easy for people to recognise, but actually making the transition from hero to strategist – or to put it another way, another phrase that we use to characterise that transition is moving from work <i>in</i> the business to working <i>on</i> the business, actually making that transition is a very difficult thing to do because for most owner managers. It's tied up with a huge amount of emotional attachment to the fact that it is their business, they own it and therefore they want that business to be as good as it can possibly be. And they probably still believe that they do many of the tasks of the business better than anybody else within it, and in some cases they might be right. So it's quite difficult to delegate those things and see and watch other people</p>

	<p>perform them not quite as well as you would like them to be.</p> <p>So it is a very difficult transition to make for many owner managers and many owner managers recognise that they need some help in achieving that transition, and that is actually one of the key drivers why people participate in our programme, BGP.</p>
<b>SM</b>	<p>So, if we look ahead then, the last question, how do we get there? So the person has become a strategist, if you like, after lots of soul searching, after understanding where they are now – how do you recommend that people actually get to that next stage, the detailed stage?</p>
<b>GB</b>	<p>Well there isn't a single answer to that Steve, you wouldn't be surprised to hear. It really depends on the particular circumstances of the business and the particular destination, the particular goals and objectives that the individual has set for their business. One of the very interesting things that we find though, in terms of the market focus for growth, is that many people have an assumption that owner managers and entrepreneurs are constantly searching out the next opportunity and constantly going off and doing new things and innovating all of the time. The reality – and this we have confirmed with two separate surveys of several hundred, in fact running up to about a thousand now, ambitious owner managers – is that the ones who achieve successful growth on a consistent basis do it by sticking to the knitting, so they sell more of their existing products and services to their existing customers and people just like them and the figures are really quite surprising – its nearly 90 per cent of the successful fast growth businesses achieve that growth by sticking to the knitting.</p> <p>So that is not to say that they don't innovate, they do, they are highly innovative. They tend to innovate by being very, very deeply embedded and deeply entrenched in a particular niche so they know their customers extremely well, they have distinctive benefits that they deliver to those customers and they get to understand that market place so well that they tend to be able to anticipate their customers' needs before their customers can actually express them. And so they innovate within their niches in a gradual way and in a planned way and from time to time they will develop new products and services or enter into new markets and they will do that as part of an overall strategy, rather than the received wisdom of this kind of constantly trying to find the next thing. So that is one of the very interesting aspects of how successful growth businesses actually achieve that growth.</p>
<b>SM</b>	<p>On that note, we will finish. I think what you have done is given some really useful insights – obviously the only real thing to do is to get into that book and probably come on the Business Growth Programme.</p>

**GB**

That would be great because it works.



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