



# The evolution programme

## Mission, vision and direction – turning fine words into reality

### What you should be thinking about now

Successful businesses have a clear focus and direction. They know who they are, what they do, where they are going and how to get there. In the early stages of a company, these are often personified by the founder. But, as the business expands, the mission, vision and direction need to be clearly articulated and constantly communicated by the business owner to employees, customers, shareholders and the media.

You must lead by example and accept that you are a strong role model that your people will look to for leadership and direction. Staying true to the vision as set out in your business plan demands flexibility and focus.

The *mission* – the who and what – succinctly describes the business and its current focus. Ideally, it should be between six and ten words and easily understood by everyone. Take a look at the example below:

#### Ability Housing Association:

*Providing housing and support services for people with disabilities.*

Vision is a more aspirational concept that expands on the future you intend for yourself and your business. It should also define your customer-orientated goals. Communicating your vision with enthusiasm and motivation is equally important.

When you first started out, you probably wore a number of different hats – personnel, finance, sales, marketing – but you now have to change from being a hands-on founder

with a clear set of goals into a leader who can communicate those goals to others. You also have to move towards a more collective way of decision-making. As you expand, you will no longer be able to manage everything yourself and your management structure will, inevitably, become more hierarchical.

**PKF Top Tip** – never assume that your staff know what your business is there for. If your employees don't have a clear vision of the company's aims, it will be much harder to achieve them.

### Achieving your vision

There are three main areas that you need to focus on to achieve your vision – your priorities, people and processes.

#### Priorities

Priorities convert your vision into practical, clearly articulated and measurable goals. Once employees understand the company's vision, the performance goals needed to achieve it and the founder's strategy to achieve them, growth will become more structured and less chaotic.

Demonstrate the priorities that support your vision by publishing relevant performance indicators as frequently as possible. These could be the weekly sales figures, customer feedback or the company's financial performance. Sharing benchmarks and updates on progress with your people not only demonstrates transparency, but provides



a context for a dialogue. Take a look at the example below:

*Company A's continued commitment to improving its performance included an employee suggestion scheme. Each employee was set a target to suggest three ideas a year to improve the business. 80% of the ideas were implemented. Importantly, employees realised its priority because production was stopped for 90 minutes each month to allow discussion time.*

#### People

As you expand, another key focus is your people. To play their part in helping you achieve your vision for your business, they must be appropriately remunerated, motivated and skilled.

#### Remunerating and rewarding people.

In addition to wages or salary, consider offering other ways of remunerating your staff that are linked to the performance and success of their team or department. People are more motivated to work hard if they understand what they are trying to achieve and can see the correlation between their efforts and rewards. Consider:

- Employee share option schemes
- Bonus schemes
- Pensions.

Julian Richer of hi-fi retailer Richer Sounds lets the highest performing sales employee use his Rolls Royce for a month.

**PKF Top Tip** – a low cost way to protect your key members of staff is critical illness and key person insurance cover. Your key employees may not always be senior management – they might be anyone your business can ill afford to lose.

### Motivating people.

A flexible approach to working hours and benefits is increasingly a sign of a good employer. The move away from standard packages to flexible ones is gathering momentum as people with young children and other non-work interests seek to work annualised hours, flexi-time, from home or part-time during the school holidays.

### Developing employee skills.

As the business grows you will need to assess the potential of your staff from both a technical and management perspective. Who needs to acquire more technical skills? Who is ready to become a supervisor? What basic management skills will they need?

You can also take advantage of a wide range of subsidised training courses and support from your local Business Link or Chamber of Commerce. Examples include Profits through people, Total productive maintenance, and Training assistance/Management development.

## Processes

As your staff numbers grow, you should start thinking about simple processes which help to marshal resources in support of your vision and mission. These might include the following:

- An appraisal system for your staff. The easiest way to set this up is to work with

your professional adviser or a Business Link consultant to develop one that is tailored to your specific business needs

- A sales/business development process
- Product improvement or development process
- An internal communication process.

It's often helpful to do informal or formal benchmarking with other businesses to assess where you may need to focus attention. The DTI website provides an introduction to benchmarking – and even a test to see whether you are ready for formal benchmarking ([www.dti.gov.uk/quality](http://www.dti.gov.uk/quality)).

**PKF Top Tip** – devise a number of ways to communicate the company vision, mission, objectives, as well as its progress to your employees. This could be via regular meetings, noticeboards, away-days or updates. Open dialogue will also help promote a shared approach.

Similarly, as the management team grows, a formal management development programme should be put in place which addresses both personal and corporate needs.

## External sources of support

Make the most of external support and expert advice. Use your professional advisers as mentors, sounding boards, coaches and for outsourcing services that are not cost-effective internally (e.g. payroll management or credit management). Network with your local business community. Be selective but don't be afraid to use them.

Take advantage of Government programmes such as Modern Apprenticeships, the New Deal for Employers, Business Link Design Counselling, Investigating an Innovative Idea, the Regional Business Development Funds, and Knowledge Transfer Partnerships if they are right for your business.

**PKF Top Tip** – consider the benefits of holding “away-days” for your team to focus on your strategy and business challenges, and to build team spirit.

## Frequently asked questions

**Q.** I wasn't eligible for any grants when I set up the business. Is it worth applying again?

**A.** Yes. Take an opportunistic approach to grants, as the scenario is always changing. If you don't ask, you don't get. There are an increasing number of EC grants and the eligibility criteria have relaxed in some areas. Regional Selective Assistance (RSA) capital grants are not available everywhere. The highest levels of support are found in the Objective One areas of South Yorkshire, Merseyside and the South West but there are plenty of opportunities in other areas. Have a look at [www.j4b.co.uk](http://www.j4b.co.uk)

**Q.** Where can I find professional human resources support without taking on someone full time?

**A.** There are three main options: you can subscribe to a helpline service from employment specialists; take advantage of the mentoring services provided for SMEs by leading banks; or buy-in advice on a “pay as you go” basis from employment lawyers.

And finally, don't forget that you are in business to make a profit – always keep an eye on your exit. Make sure that you use a combination of tax-efficient methods such as pension schemes, unapproved pension schemes (e.g. FURBS) and the Enterprise Investment Scheme (EIS) to expand and structure the business.



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