

# LEADERSHIP & STRATEGY

It comes in all shapes and forms, but what does effective leadership actually look like? Find out how owners and managers from around Britain have successfully tackled the issue.



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# IMPROVING YOUR LEADERSHIP SKILLS

## Improving your leadership skills

How do you grow as a business leader? Whether it's hiring staff, motivating teams or translating strategy into objectives, leadership can be an overwhelming experience. But great leadership isn't about getting everything right the first time – it's about continually developing your abilities and working on your weaknesses.

Research from the Department for Business, Innovation and Skills has shown that developing leadership skills needs to be a priority for any business. Leadership and management skills are positively linked to turnover and productivity, as well as being key drivers of business performance and growth.

To get below the surface of the issue, we spoke to SME leaders across the country about their experiences of leadership and the valuable lessons they've learned.

## Collaborate with every department

Collaborating with staff members on day-to-day tasks isn't just endearing, it's a crucial part of understanding how your business really operates. When you're on the ground with staff members, you'll be in a better position to see the challenges they face and recognise any shifts in morale.

Snaffling Pig co-founder Udhi Silva discovered a "blame culture" between head office and warehouse staff. If he hadn't been involved in the day-to-day workings of the warehouse, the very different cultures might have slipped under the radar.

"The guys at the warehouse didn't really care or understand the vision we followed in the office," Udhi said. "We created a Big Hairy Audacious Goal" to one day be as big as Walkers and as loved as Lego. Now they have an idea to work towards – they understand what Snaffling Pig aims to be.



**Udhi Silva** Co-founder Snaffling Pig

“It’s important for leaders **not to be in an ivory tower**”

“Ultimately, it's important for leaders not to be in an ivory tower. We'll drop everything and get involved if people need it.”

## Reduce hierarchy

Paul Young echoes the importance of getting involved with everyday tasks. Young, who's co-founder of London-based Paul A Young Fine Chocolates, admits that he's not a natural-born leader. But spending time working in each department gave him a clearer understanding of the business and has enabled him to better support staff.

“I feel lucky that I've been able to do a bit of everything in the business,” Paul said. “I've made chocolate, handled procurement and worked in sales and marketing. I don't think any boss can really lead a company until they've done every job.”

Young has also tried to reduce the sense of hierarchy amongst his 40 staff. If he makes a mistake, he'll admit it and apologise. And if he doesn't know the answer to something, he'll be open about asking for help.

“As a manager, don't be afraid to wash the dishes, buy the milk or clean the floor. My staff think I'm mad, but it helps them feel like there's no hierarchy – that we're all in the same boat.”

## Learn from your mistakes

No leader makes it through their first few years in business without making a mistake. The real display of leadership is not how you resolve it – it's how you learn from it.

When Naimish Gohil started up education software company Satchel, his board insisted he employed some “big hitters” around him to grow the business. Satchel hired two people from large companies, but Naimish reflects on it as the worst decision the company has ever made.

“We hired based on their CVs and didn't think about the culture fit. Before, people believed in the philosophy of how we ran the business. We lost the DNA of what made us successful.”

It took Naimish a year to get the business back to where it had been. The experience cost the company “upwards of £1m” and they had to let go of some “really good people” as a result. But Naimish believes that the experience ultimately taught him to be a more confident leader.

“It was a painful painful experience, but our business today is so much stronger because of those learnings,” Naimish said. “You'll always get a significant amount of uncertainty with business. It's how you embrace it and figure things out that's the difference.”



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**Paul A Young** Fine Chocolates

### Three key takeaways:

1. Each department has different challenges
2. Reducing hierarchy can boost morale
3. Mistakes can make your business stronger

### Three key questions:

1. Does each employee understand the vision they're working towards?
2. Do you have the relevant experience to manage each department?
3. What is it about your culture that makes you successful?

**In the next week:** Send out a survey to check employees' understanding of your company's vision

**In the next month:** Pick the department you're least familiar with and spend a morning understanding their daily tasks and challenges

**In the next year:** Map out the end-to-end process of delivering your product or service and consider which departments might benefit from greater clarity, guidance or investment

# VISION AND VALUES

To make the most of your talent, leaders need to build an inspired and empowered workforce who see a future at the company. A few simple changes can make all the difference.

## Promote internal talent

When the time came to build a leadership team at games retailer Home Leisure Direct, CEO Andy Beresford opted to hire home-grown staff from their team of 41. He believes his decision to hire internally has been “tremendously motivational” for the company.

“Our staff know that the people in charge of each department have been there and know what they’re talking about. It’s not some new hire who doesn’t have a clue,” Andy said. “Everyone in the team knows that if they work hard, learn and develop, then they have a shot at progressing.”



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Andy Beresford CEO Home Leisure Direct

It’s important, however, not to see internal promotions as an “easy” option. Promoting the right person gives you the benefit of their expertise and emotional investment in the company; the wrong person can slow your growth down and disrupt staff development.

“If you don’t have the talent, it’s essential to look outside and hire for the skills you need,” Andy added.

## Communicate more

Softwire MD Zoe Cunningham found communication “unnatural” when the software development company first doubled in size from ten to 20 staff. It’s since expanded to 160 and Cunningham’s leadership has had to adapt to each iteration.

### Three key takeaways:

1. Promote from within to motivate staff
2. Bigger companies require more communication
3. Give employees a chance to be creative

### Three key questions:

1. Are you nurturing the talent for the future?
2. When was the last time you communicated company progress to staff?
3. What development opportunities can you provide to engage employees?

**In the next week:** Consider three new ways you can improve communication across the company.

**In the next month:** Reshuffle your calendar to make time for an open door office hour each week. If your office seems too formal, try a quiet breakout space or nearby cafe.

**In the next year:** Create a personal development plan for each of your employees, recording the skills they want to learn and where they hope to be in five years



“The bigger you get, **the more you have to communicate**”

### Zoe Cunningham MD Software

“We fell into traps with communication,” Zoe said. “We assumed that because we were open and anyone could come and talk to us, staff would know that – but they didn’t. The bigger you get, the more you have to communicate. It feels unnatural and like you’re forcing your message down people’s throats, but otherwise it doesn’t really click.”

Zoe introduced an open calendar policy, so staff could book in time to come and talk to her in private. Every two weeks, Software also hold a “tea and cake with the MD” hour, where people come as a team. The latter initiative is designed to eliminate the spotlight of speaking up and help staff members share their opinions in a more comfortable group setting.

“There needs to be a sense that everyone’s opinion is valuable,” Zoe explained. “I’ve found that hierarchy is quite superficial. It’s actually everyone at the lower end who tend to know all the details about a company.”

### Empower your staff

As a leader, empowering your staff members should be at the top of your agenda. Empowered employees are more productive, satisfied and collaborative, which can positively impact your retention rate and bottom line.

Insights from Investors in People’s Job exodus trends found that a third of employees in the modern market would prefer more autonomy and flexibility over a pay rise.

It’s important to understand the distinction between offering greater independence and leaving staff to their own devices. To empower staff, you need to offer support and mentorship to help them manage their own workload and drive their own career.

Empowerment is at the core of Brighton-based software company Claromentis’ strategy. After spending years tied to the demands of their biggest clients, founder Nigel Davies now makes sure there’s opportunities for creativity and development too.

“We hold an annual hackathon called Innovation Week where our dev and design teams get a week to build whatever they want. The best tech built during that week wins prizes and becomes part of our core offering. It’s a chance to be creative and empowered.”

“Personal development opportunities contribute to the health and wealth of our business and keep employees happy and engaged. When people stagnate, they start looking around for new jobs, so investing in training is never money wasted; it’s a really powerful retention tool,” Nigel explained.

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### Nigel Davis Founder Claromentis

# EXTERNAL COLLABORATION

Being a strong leader isn't just about investing in the careers of your employees – you need to consider how your own skills could be boosted by external expertise.

Collaborating with external businesses or mentors is a great opportunity to get a fresh perspective. As research from Be the Business found, 59 per cent of business leaders believe mentors help them think strategically about their business and 28 per cent implemented new business processes as a direct result of the mentoring.

If you are thinking about embarking on a new project, it can be useful to find another business owner or mentor who has been through a similar experience. External companies can provide you with the capabilities you need to move forward if you find yourself restricted by the skills you have in-house too.

## Learn from your peers

For software firm CharlieHR, external collaboration has been part of the leadership strategy from the start.



**Rob O'Donovan** CEO at CharlieHR

"We've always been very aware we don't know everything," CEO Rob O'Donovan said. "We know that it's important to work on the business, not just in the business, so we've been very active in finding help."

Rob prefers to take a more informal approach to collaboration, often hosting dinners where business

owners can talk openly about challenges they're facing. It keeps discussions up-to-date and focused on recent experiences and the current business climate.

"There are plenty of benefits of having older mentors, but sometimes they're too far out of your game. Things move too quickly. If they run a 1,000-person business, they've probably forgotten what it's like to run a business with 10 people.

"Experience can blind you. When you see a lot of things fail, you're less likely to take risks. With your peer group, you're all facing the same challenges," Rob said.



**Becky Sage** CEO at Interactive Scientific

"The perfect business journey isn't a reality. Sometimes you have to say, I'm choosing to take the risk"

## Accept an element of risk

Interactive Scientific CEO Becky Sage decided to collaborate with other institutions when she sat down to look at Interactive's business model. The company had originally planned to work with schools, but the team realised that they needed to move into other sectors if they wanted to generate revenue.

In collaboration with Bristol University and Edinburgh University, Interactive Scientific published a whitepaper on how their technology could be used to solve research problems.

"That was the starting point for us," Becky explained. "We began to look at how we could develop products in the

pharmaceutical space and create a commercially viable MVP.”

The main challenge has been learning how to collaborate with much bigger businesses without becoming tied into new systems or risking the loss of IP. But, as Becky explains, leaders often have to take risks to succeed.

“Not all our collaborations have been smooth, but the high reward things come with a little bit of risk. The perfect business journey isn’t a reality. Sometimes you have to say, ‘I’m choosing to take this risk. It doesn’t feel quite right, but that’s the journey.’”

## Change deep-rooted behaviour

As the business grows and changes, leaders need to be able to adjust their leadership style to fit the current needs of the firm. A leadership style that works with a small group

of employees is likely to be less effective as the business grows and management layers are added.

One of the best ways to progress as a leader is to understand the different components of your leadership style and learn where your weaknesses are.



“Thinking about the leadership behaviours has been really tough, but it’s helped us find complete cohesion”

**Alexandra Thompson** Harvey Walter Softeners

### Three key takeaways:

1. Set up an informal peer group to share common challenges
2. High reward collaborations often come with more risk
3. An external perspective can help identify areas for change

### Three key questions:

1. Where can you find people who are experiencing similar business challenges?
2. What opportunities would you embrace if you weren’t afraid of the risk?
3. Does your leadership style meet the current demands of the business?

**In the next week:** Make a list of your strengths and weaknesses as a leader and identify potential areas for improvement.

**In the next month:** Set up an informal networking session at a café or restaurant. Invite other local business owners and encourage them to each invite someone in business that they respect.

**In the next year:** Create a presentation that outlines opportunities the business might be missing and examines how collaboration could help you grow as a business. Present it to the rest of the leadership team.

When Harvey Water Softeners’ head of people, Alexandra Thompson, was faced with the task of “professionalising” a 40-year-old leadership culture, she brought in an external training partner. It provided a fresh, impartial perspective on how the leadership team should best support their 80 staff.

“We designed a peer-to-peer review process with our training partner. We put together a set of behaviours of things that mattered to us, then evaluated the members of our leadership team against those behaviours to understand how they demonstrated them,” she said.

The experience led them to recognise that the firm’s ingrained leadership style didn’t necessarily work for the stage the business was at.

“We looked at things like: do our leaders model compassion and wellbeing across the team? Are our leaders accountable in the work they take on? To what extent are our leaders out there in the industry? Thinking about the leadership behaviours has been really tough, but it’s helped us find complete cohesion,” said Alexandra.

# SUMMARY: GOOD LEADERS NEVER STOP

In today's workplace, great leaders empower staff and inspire action, keeping their business focused in an increasingly competitive landscape. The business leaders we spoke to prove that ambitious, innovative businesses are thriving across the country – but there are also many who aren't reaching their full potential.

Additional research from the Department for Business Innovation & Skills concluded that well-developed leadership skills are closely tied to a positive business performance. However, for up to 600,000 SMEs, leadership skills are “underdeveloped”. This widespread failure to adopt leadership and management best practices is restricting the growth and progress of a large number of companies.

To keep moving forward, leaders need to regularly analyse their skillset and look for areas to grow.

Learning to delegate can be a great place for leaders to start. Many assume that delegation will put them out of touch with what's happening in the business. In fact, it can be the opposite.

As Snaffling Pig's Udhi Silva found, delegation can encourage staff investment. “Let people own something, whether it's a responsibility or looking after a customer or supplier. When you step back, it encourages people to come forward and say 'I want the extra responsibility'”

To achieve your business goals, recognise that there will always be an area of risk. It's up to you as a leader to decide whether the risk is worth the reward.

Interactive Scientific's Becky Sage recommends building a strong leadership team that you can confide in. It can be invaluable to talk through problems and get another person's perspective.

“Make sure you really trust those people around you,” she said. “If you find yourself making decisions purely by yourself, really listen to other people's input. It's all about putting the foundations in place to make your business really strong, and that means building a team you can trust.”

Last, don't be afraid to seek advice, expertise or mentorship from outside the business. Whether it's networking with local business owners or working with a digital agency, external contacts can give you a broader perspective on your business. Your peers will likely have been through a similar experience at some point and their input can provide valuable direction moving forward. Similarly, an agency can look at your business objectively and find weaknesses you hadn't noticed.

Chocolatier Paul Young is constantly working on his leadership skills. He struggled to manage staff across separate locations, and different skill levels and working hours, but has learnt a lot by asking for support.

“People tend to see asking for help as a weakness, but it's a strength,” Paul said. “It may not be a popular opinion, but I try to encourage it. I always want staff to ask for help, whether it's emotional, personal or related to a simple task like production or packing. If you're not brave enough to ask for help, you'll never develop the skills you need.”



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