

EDA Case Study Enterprise & Diversity Alliance

Effective Business Mentoring and CSR: Promoting Growth and the Big Society

A Case Study of the 12/8 Group

SYNOPSIS

This case study describes the work of the 12/8 Group, a peer-to-peer business mentoring initiative involving six growth orientated African-Caribbean owned small firms. The benefits that the member firms have gained from the mutual support provided for personal, business and community development are summarised and the key success factors underpinning the Group are analysed. The case study also describes the involvement of A F Blakemore & Son Ltd, a much larger company, in providing business mentoring to members of the 12/8 Group as part of their CSR work, and the benefits that both the 12/8 Group and A F Blakemore derived from this. Finally, the case study explains why the 12/8 Group model should be of interest to Local Enterprise Partnerships and other agencies as, if more widely applied, it could contribute to the delivery of their local economic growth objectives. The key steps to replicate this initiative are outlined.

The Enterprise and Diversity Alliance is in partnership with:

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Introduction

“This business mentoring initiative is a cost effective tool for encouraging business development and growth, and, through this, private sector job creation.”

The 12/8 Group model is an idea whose time has come. This business mentoring initiative is a cost effective tool for encouraging business development and growth, and, through this, private sector job creation. The wider adoption of such cost effective tools is particularly relevant in the context of the worst financial crisis since the 1930s and the consequent reductions in public spending.

In addition, the 12/8 experience provides a way to do corporate social responsibility (CSR) that both works and is sustainable. Large private companies have been returning increasingly to CSR in recent times as a way of contributing to social and economic improvements for those most affected by the economy’s difficulties. The collaboration between the 12/8 Group and a large firm is an example of this where benefits for the firms in the Group, the large firm and local communities are clearly visible. Here is a way of working that should be taken on by many others. This case study describes the benefits of replicating the model and how this can be done.

The 12/8 Group is a peer-to-peer business mentoring network involving six growth-orientated, small and medium-sized African-Caribbean businesses that support each other in developing and delivering their plans for individual, business and community development. Details of the individual members are provided in a table at the end of this case study. Established on 12th August 2004, hence the name, the Group continues to flourish eight years on, with members keen to promote their model to other small and medium-sized enterprises (SMEs). In addition to the individual benefits reported by its member businesses, the staying power of 12/8 and the desire to ‘spread the message’ are further strong evidence that the model works.

In addition, the Group’s businesses have benefitted from 12 mentors from a much larger company, retail and wholesale group A F Blakemore and Son Ltd. A F Blakemore had been keen, as part of its CSR policy, to support the development of SMEs, particularly those based in deprived areas where business development can have significant knock-on economic and social benefits. Perhaps to A F Blakemore’s surprise, and certainly to its delight, involvement with 12/8 has provided real staff and business development benefits for the company itself.



Benefits to small and medium-sized businesses

What have been the benefits to the 12/8 businesses that have produced their enthusiasm for the model?

First, all report that they have become more strategic as a result of their involvement and that this has helped them access new markets for their products and services. Wade Lyn, Managing Director of Cleone Foods, points to a 30% increase in listings in supermarkets and the launch of a new cocktail line which is now widely stocked. *"I think the biggest difference for my business has been my capacity to be more adventurous, and strategically plan and invest in the future."*

Dennis Storrard and Ian Harris of ID Security Systems report a more strategic penetration of the corporate new build property sector. The buddying system, which paired 12/8 members to meet between the Group's regular meetings, had *"given us the opportunity to have a board of directors to learn and develop from, and ... gave us the confidence to develop new markets and take planned risks."*

Tony Lamont and Errol Drummond of Sunrise Bakery were given the confidence to complete a £300,000 development plan which had increased their production area, improved efficiency and reduced costs. *"As a result of 12/8 we recognised that Sunrise was at a crossroads, we needed to get wider penetration of the market if we were to survive. It has challenged our desire to conserve rather than (having a) hunger to grow."*

Other benefits reported included:

- Growth in turnover, profitability and employment;
- Advice on cost control and surviving the recession;
- Increased inter-trading;
- Personal development including building individual confidence;
- HR knowledge;
- Acquisition of new skills. For example, Lee Williams of Universal Service Solutions refers to gains in skills and knowledge in relation to growth funding, sources of finance, sales and marketing.

Vince Farquharson of Turbo Windscreens sums it all up: *"The 12/8 experience is very different with all the members driving each other forward. It's turned me from an insular individual and has opened me up to share my business ideas, helped me to take advice, learn from others and challenge my opinions."*

12/8 members believe that the increased confidence gained through the Group has helped them develop projects with their local communities including supporting the establishment of new businesses and providing activities, direction and purpose to young people at risk. For example, Wade Lyn has been appointed for two years running as the Business in the Community (BitC) Prince's Ambassador for Responsible Business in the West Midlands Lee Williams is president of ICE UK (Inner City young Entrepreneurs), an organisation set up to promote entrepreneurship within deprived communities in the UK. He personally mentors a number of young entrepreneurs in the Birmingham area. Andy Bailey also provides mentoring support to young people.

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How and why did it work?

The 12/8 Group meets monthly. At the first meetings, each entrepreneur would outline where he believed he was and where he wanted to get to against the three objectives of business, personal and local community development. Members believe that the linkages between these objectives are rarely recognised in standard business support.

Following the presentation, the others at the meeting would ask questions and make suggestions. The presenting entrepreneurs would assess these suggestions, say which they would take on board and implement and report back on progress at a future meeting.

Professional advisers and other external speakers were brought in when the Group felt they could benefit. For example, leading accountancy and management consultancy firms were asked to provide an input. These meetings were supplemented with away weekends which focused on specific issues and allowed more time for external input. A buddying system was also established which paired 12/8 members to meet in between the monthly meetings and then report back to the full Group on their discussions and resultant decisions.



The **key reasons for their success**, according to the 12/8 members, are:

- **Strong trust and respect** was built between the members of the Group. They are therefore able to be open about the issues they face, provide each other with suggestions and positive criticism and then seriously consider acting upon these suggestions. Without this trust, self-defeating, defensive barriers would be erected and little progress made.
- **Allowing time** to build trust and effective ways of working. Andy Bailey of Enterprise Data Systems estimates that it probably took two years before all members of the Group began to trust each other enough to permit significant mutual benefit. Mentoring will not work if it involves only quick in and out top-down advice delivered by someone who has no real understanding of the challenges faced by the mentee.
- **Motivation:** one business has described 12/8 members as *‘individuals with a desire to grow ourselves and our communities’*. 12/8 member Ian Harris of ID Security Systems explains: *“I joined the Group because of the possibility of helping the business realise its dreams and making us more successful.”* *“I am always looking at ways to whack that turnover up and the 12/8 provided an opportunity to look at a strategy for facilitating future planning for the company”* says Vince Farqaharson of Turbo Windscreens. For Wade Lyn, *“The purpose of 12/8 is to take us to the next level of transforming our companies into multi-million pound businesses and creating wealth in the community.”*
- **Ownership:** it was 12/8 members alone who agreed what they wanted out of the Group and what the rules of engagement should be. They owned the initiative. Without ownership, trust could not have been built and benefits would have been limited.
- The importance of **leadership** was recognised by the Group. Someone needed to have the acknowledged responsibility for drawing together the views of the members and for driving these forward into agreed actions. Who undertook the leadership role changed through time. To begin with, the more experienced and larger entrepreneurs provided leadership. However, the Group later agreed to rotate the position of Chair as part of the process of personal development.
- **Action Learning and reviewing achievements.** The 12/8 meetings were facilitated but not in traditional, overly directive ways which expected reactions to top-down, one-size-fits-all prescriptions. Rather, the facilitators had a light-touch, action learning approach which insisted that 12/8 members decided what they wanted from the Group. Decisions on what to do next were taken after members themselves reviewed what had worked well, and why. Achievements were celebrated. This approach laid the basis for and continually reinforced ownership.

Enter the corporate...

“The association with A F Blakemore brought huge benefits to the 12/8 Group members, including help in recruiting key personnel and, for two firms, securing contracts to supply goods and services to the larger company. The relationship also brought benefits for A F Blakemore’s mentors which translated into business benefits for the company itself.”

In 2009, the 12/8 Group decided that its members could benefit from advice from larger companies. It approached Business in the Community (BitC) to ask whether any of BitC’s members could provide mentors for the Group and its individual, constituent firms. The challenge was taken up by AF Blakemore & Son Ltd, a company with a turnover of £800m that employs 6,000 people in nine cash-and-carry outlets and 215 SPAR stores. Peter Blakemore, the Managing Director of AF Blakemore & Son Ltd, has explained that he believed that A F Blakemore shared with 12/8 a philosophy of working with the community, and that his managers could therefore contribute as well as learn from involvement with the 12/8 companies.

A F Blakemore allocated 12 of its senior managers who were embarking upon a post-graduate certificate in Leadership and Management at Birmingham University and who could offer their specialist skills in areas such as business planning, property, business law and accountancy to the 12/8 Group. All 12 met with the whole Group to hear where each company was at, where they were going and the areas in which they were looking for help. Examples of the latter include sustainability/green issues, marketing and sales, and HR. Mentors were then allocated to individual companies based on their specific specialisms although they continued to attend the larger Group meetings as well.

This association with A F Blakemore brought further, huge benefits to the 12/8 Group members, including help in recruiting key personnel and, for two firms, securing contracts to supply goods and services to the larger company .

The involvement with A F Blakemore was often challenging but always positive. Lee Williams reports: *“The mentoring support that Martin and Mark gave me has helped me to move the business forward in relation to developing ISO and Safe Contractor Accreditation, Value based management system and staff care package, Introduction into Quantity Surveyor networks and diversification into cleaning for Housing Associations and Local Authorities.”* The experience had been *“absolutely empowering.”*



Photos: Members of the 12/8 Group and AF Blakemore sharing their experiences at the 14th Annual Ethnic Minority Business Conference

The relationship also brought benefits for A F Blakemore's mentors which translated into business benefits for the company itself. Although the original motivation for A F Blakemore's involvement had been CSR, involvement is now being driven by staff and business development as well.

According to the Group HR Director at A F Blakemore, involvement with 12/8 has:

- Helped his company retain key managers;
- Assisted succession planning as five of the mentors have been appointed to director-level positions;
- Led to a more entrepreneurial culture within the organisation;
- Developed leadership within the company.

Benefits listed by A F Blakemore's individual mentors include:

- Experience of working in an environment of ethnic diversity and different types of business.
- The opportunity for managers to work with company directors and entrepreneurs on the front line, which *'gave me confidence in dealing with senior people.'*
- A greater appreciation of the differences between large and small companies which *'made me realise how, within a large company, we get a lot of support.'*
- Providing managers with invaluable insight into how the numerous small companies they work with operate and the issues they confront.
- The opportunity for Blakemore managers to be able to work together, in the context of working with 12/8, and build their knowledge of each others' areas of work.
- Working with the 12/8 has shown that time invested with new suppliers can pay dividends.

A F Blakemore's mentors have continued to work with individual 12/8 companies in their own time. A F Blakemore has also begun mentoring a new group of small firms and is working with the Enterprise and Diversity Alliance (EDA)¹ and BitC to roll out the model to other motivated groups of SMEs.

¹ The Enterprise & Diversity Alliance (EDA) is a private-public partnership that grew out of long term work to open opportunities and remove barriers to the growth and contribution of entrepreneurs from diverse backgrounds. Led by Professor Monder Ram of De Montfort University's Centre for Research in Ethnic Minority Entrepreneurship (CREME) and Professor Kiran Trehan of the University of Birmingham (previously of the University of Lancaster), the EDA will deliver an ambitious initiative to facilitate an integrated approach to enterprise and diversity.

Key reasons for CSR success were:

- **The role of BiTC** who brokered the relationship between A F Blakemore and the 12/8 Group. Often large firms do not have sufficient knowledge of which SMEs they could best work with and vice-versa.
- The **commitment from the top** of A F Blakemore and its openness to identifying the internal staff and business development benefits of CSR activity.
- Recognition of **the value of SMEs to employment creation and to tackling deprivation**. This is based upon research from the US which suggests that successful growth-orientated ethnic minority businesses (EMBs) tend to stay in their communities, generating local jobs and creating a new generation of role models. The 12/8 experience has supported this research.

Replicating the 12/8 Group's Success: the role of Local Enterprise Partnerships

“Research evidence on the major role that growth-orientated SMEs play in creating jobs in a modern economy suggests that replicating the 12/8 model can make a real difference to local economies.”

What are the implications of the 12/8 case study for Local Enterprise Partnerships and other agencies that want to promote business mentoring and network development as tools for rebalancing and growing the economy? First, the research evidence on the major role that growth-orientated SMEs play in creating jobs in a modern economy suggests that replicating the 12/8 model can make a real difference to local economies. In addition, the US evidence referred to above highlights the socially beneficial role resulting from work with SMEs based in deprived areas.

Secondly, while some forward looking SMEs and larger firms might start-up peer-to-peer mentoring groups without help, this is unlikely to happen in large numbers without an outside catalyst. All the members of the 12/8 Group agree that they needed Business Link and an engaged academic to bring them together back in 2004 despite some having known each other for 20 years before the Group was founded.

Thirdly, there are questions around what type of firms the model can be applied to. Does it have to be EMBs? Can the approach benefit start-ups? Can trust be built up if a peer-to-peer mentoring group includes competitors?

In relation to the ethnicity of business owners, whilst the dynamics of the 12/8 Group and some of its impacts were related to the common African-Caribbean heritage of the members, most of the issues the Group tackled and the model's key success factors are common to almost all SMEs. The model, suitably adapted to the specific firms in any group established, can be widely applied.

While there are lessons to be learnt from this model for the mentoring of entrepreneurs who are starting-up their first business, it would probably be true to say that one-to-one mentoring is more appropriate in the first year or two post-start-up. However, the 12/8 Group itself has generated start-up mentoring by its members for firms outside its membership. The model could probably be applied to firms shortly after start-up that have aspirations to grow. In addition, it would be possible to adapt some of the features of 12/8 to business start-up clubs.

Finally, the 12/8 Group members do not believe that having competitors in the 12/8 Group would have been a problem. Their view is that the market is big enough for everyone and there can be advantages to working together in the same sector in an atmosphere of mutual trust.




Every peer-to-peer business mentoring group established will be different depending upon the characteristics of the businesses and the personalities of the entrepreneurs involved, and because the process is founded upon members deciding how they want the group to work. However, based on the key success factors identified through the 12/8 experience (and reinforced by the experience of FYSHnet, another peer-to-peer mentoring group of Bangladeshi owned businesses) there appear to be a number of crucial ingredients.


The recommended steps to replicating the 12/8 success through further mentoring networks are therefore:

1. An organisation or a partnership of organisations agreeing to initiate the establishment of peer-to-peer business mentoring groups. They would need to identify, discuss with and draw together potential participants.
2. A number of growth-orientated businesses motivated to give it a go. A minimum of 4 and a maximum of 12 businesses per group would be needed. Many businesses approached will recommend others to join which can help in building trust in the early stages.
3. Engaging skilled, action learning facilitators who will stay the course to allow the mentoring groups to set their own agendas and to allow time for an environment of trust and respect to grow between members.
4. A large firm with motivated senior managers willing to work consistently in a peer-to-peer mentoring context over a significant period. In transactional analysis terms, this means building adult-to-adult relationships with the smaller firms involved. A brokerage agency, such as BitC can prove beneficial at this stage.
5. Paying adequate attention to leadership within the groups established.
6. Funding for the first stages of establishing a group and building self-sustaining momentum. Not a great deal of funding is required to pay for initial start-up, facilitators, outside speakers and advisers, and venues and refreshments (which would need eventually to be provided by members of the group). However, it is essential that the funding allows time for outcomes to be delivered rather than focusing on short-term outputs.
7. An action learning review and evaluation process established at the outset which could be entirely internal although an external review might also help.

The Enterprise and Diversity Alliance and BitC, supported by 12/8 members and A F Blakemore are keen to help others establish similar successful business mentoring and CSR initiatives. Contact Liz Frost at: efrost@dmu.ac.uk if you would like to discuss this further.

The 12/8 Group Members

<p>Business Name: Cleone Foods</p> <p><i>Owner manager:</i> Wade Lyn, Managing Director <i>Business Activity:</i> Manufacturers of Caribbean savoury patties Employment in 2011:43 (28 production, 15 admin and management) <i>Summary of benefits of 12/8 Membership:</i> Increased sales and wider markets with new products and increased listings in supermarkets; Recruited management and sales/marketing personnel; More efficient productions system which enables growth; learnt about developing new markets, and leadership and mentoring skills. <i>Community development activity:</i> On Greater Birmingham and Solihull LEP Board; Regional Board of BitC; Prince's Trust ambassador; membership of a wide range of regeneration partnership Boards and Advisory groups; Advisor to Bank of England.</p>	
<p>Business Name: Enterprise Data Systems/ Kleen IT</p> <p><i>Owner manager:</i> Andy Bailey <i>Business Activity:</i> IT solutions provider to SME/IT hygiene specialists Employment in 2011: 5 <i>Summary of benefits of 12/8 Membership:</i> Developed Kleen IT as a new business strand; rebranded and stabilised EDS; new web site and web share; acquisitions, marketing and sales, leadership, facilitation and presentation skills developed together with insights into strategic planning process. <i>Community development activity:</i> Mentoring young people; on Boards of a variety of industry and third sector bodies; supporting development projects in Ghana.</p>	
<p>Business Name: ID Security Systems</p> <p><i>Owner managers:</i> Ian Harris and Dennis Storrard <i>Business Activity:</i> Security specialists and installers Employment in 2011: 5 <i>Summary of benefits of 12/8 Membership:</i> developing wider networks and more strategic penetration of corporate new build property sector; decision to build for trade sale in 5 years and associated systems development; improved confidence and development as leaders and directors; new attitude to business development and wealth creation.</p>	

<p>Business Name: Universal Service Solutions</p> <p><i>Owner manager:</i> Lee Williams</p> <p><i>Business Activity:</i> Commercial cleaning, Waste management & Janitorial services</p> <p><i>Employment in 2011:</i> 4</p> <p><i>Summary of benefits of 12/8 Membership:</i> Rebranded and revamped service portfolio; changed management structure and appointed new accountant; relocated to larger premises; secured growth finance and new banking facility; acquired new growth funding, sources of finance, sales and marketing skills and knowledge; developed and grown as an entrepreneur; developed capacity to mentor.</p> <p><i>Community development activity:</i> Founder Member and former Vice President of 100 Black Men organization whose members mentor inner city youths (especially boys) in Birmingham; Founder and Chair of the Black Business Association in Birmingham; Governor of City College, Birmingham; President of ICE UK (Inner City young Entrepreneurs), an organisation set up to promote entrepreneurship within deprived communities in the UK; mentoring a number of young entrepreneurs.</p>	
<p>Business Name: Sunrise Bakery</p> <p><i>Owner managers:</i> Errol Drummond, Tony Lamont (until 2009)</p> <p><i>Business Activity:</i> Manufacturer of Caribbean breads, buns & confectionery</p> <p><i>Employment in 2011:</i> 29</p> <p><i>Summary of benefits of 12/8 Membership:</i> Completed £300K redevelopment which increased production area and efficiency and reduced costs; increase in turnover and profitability; developed portfolio to widen market opportunities; developed leadership, facilitation, presentation and public speaking skills; new insights into conflict management and ways of thinking about business.</p> <p><i>Community development activity:</i> mentoring small and start-up businesses; Board member of Sandwell African-Caribbean Development Agency; Chair of Smethwick Community Media Association which provides media training to young people; sponsoring a local netball group to provide positive activity for young people.</p>	
<p>Business Name: Turbo Windscreens</p> <p><i>Owner manager:</i> Vince Farqaharson</p> <p><i>Business Activity:</i> Windscreen replacement and ancillary services</p> <p><i>Employment in 2011:</i> 5</p> <p><i>Summary of benefits of 12/8 Membership:</i> better planning for growth and more focussed programme of activities; review of business systems and structures; developed strategic planning, people management, leadership and business mentoring/support skills.</p> <p><i>Community development activity:</i> Working twice a year with St. Mary's Hospice through another business group.</p>	