

EXECUTIVE SUMMARY

The LEED Unit at Cardiff Business School has compiled this report on behalf of the Welsh Assembly Government's (WAG) Department for Education, Lifelong Learning and Skills (DELLS). The aim of this report was to develop a number of options for demand-led mentoring programmes for businesses in Wales based on research into best practice. The options we have developed reflect DELLS' area of competence, are affordable and measurable, fit within DELLS' and DEIN's joined up approach to business support, and meet the needs of Welsh businesses.

The research has drawn on best practice approaches to mentoring, both in terms of what is required to design a mentoring programme and the issues surrounding mentoring in general (such as the competencies required to become an effective mentor, the different types of mentoring and what is driving mentoring). An overview of the key issues surrounding mentoring in Wales is presented, including an assessment of demand and supply factors.

Successful mentoring relationships provide a powerful method for improving the performance of both individuals and their businesses. If implemented correctly a mentoring programme has the potential for longer-term impact for improvements in business performance and for developing a learning culture in Wales.

The confusion surrounding mentoring, coaching and business advice was prevalent throughout the UK and internationally. Each stakeholder consultation and SME manager provided a different viewpoint/opinion on the methods, techniques and benefits of each approach. The fieldwork with programme managers clearly showed that despite the guidance provided, in reality mentors provided a broader level of support to mentees which overlapped with coaching and business advice. We recognise that a consensus on the definitions will never be reached and an overlap will always exist. The emphasis of any programme must, therefore, be on the development of the individual, regardless of the terminology used.

As the research progressed it became very apparent that the various programmes in Wales were not providing the same level of coverage as the other programmes throughout the UK. The main publicly funded mentoring programmes in Wales provide support and assistance to an average of 34 companies per year, compared to 360 in the Republic of Ireland and 72 in the Bristol area alone. The Business Volunteer Mentor programme in England has provided assistance to an estimated 14,000. Internationally, a number of successful mentoring programmes were identified, including a programme in New Zealand with over 3000 businesses benefiting from mentoring every year.

It would appear that in Wales the key programmes for developing businesses are focused on the provision of advice and are, arguably, largely solution-led. We believe that more emphasis should be placed on providing them with the mechanism to allow businesses to explore and develop their own solutions thus ensuring ownership and sustainability. As the proverb says:

*"Give a man a fish and he can eat for a day,
teach a man to fish he'll eat for a lifetime"*⁴

Based on best practice, we have developed two high impact, low-cost voluntary led mentoring programmes which can benefit businesses of all sizes and sectors. This recommended approach draws leaders from existing successful businesses who provide their expertise to less experienced businesses free of charge. The programmes target different types of businesses. For example, a manufacturing manager from a large established business will mentor a smaller less experienced business. Similarly, the owner/manager of an SME will provide mentoring to a micro-SME. A key component of the programmes is to encourage mentees to become mentors, which creates a multiplier effect, embedding a learning culture throughout the Welsh economy.

This voluntary model has been hugely successful elsewhere in terms of developing the leadership and management skills of business leaders and the performance of their businesses.

The value of the programmes lies in using **existing** business leaders that have faced, or are currently facing, similar issues to the mentees. The mentors are provided with training and support to develop and enhance their mentoring skills. The mentees are provided with credible mentors who have not only 'been there and got the T-shirt' but are still wearing it!

The third recommended approach is a form of group mentoring. This is a cost-effective method of providing structured mentoring to managers/owners of smaller SMEs, including micro and lifestyle companies. Specialist group sessions for under-represented groups such as women and ethnic minorities could be incorporated into this programme. We have developed 3 further approaches for consideration centred around co-ordinating existing provision, raising demand and improving quality standards of mentoring.

The desk research and primary research undertaken with programme managers reported that the recruitment of mentors on a voluntary basis was not an issue. This is because mentors primarily viewed this as an opportunity to develop their people management skills (transferable back into their own workplace), and ultimately to 'give something back'. Other benefits realised include the development of networking opportunities amongst mentors. The LEED unit itself successfully utilizes existing managers as mentors on a voluntary basis to develop SME managers on our existing leadership development programmes. However, this is generally a novel approach for Wales, where initiatives have generally relied on paying 'retired bank managers' and 'yesterday's managers' to support businesses.

In order to maximise returns on a mentoring programme, it needs to be carefully designed, planned and implemented. According to Clutterbuck², programmes introduced without any training rarely result in more than 33% of relationships delivering any significant benefits to the participants. Training the mentor can double the success rate to 66%; training the mentor

and the mentee, plus ensuring that the line managers also understand the purpose of the programme and its benefits to them, pushes the success rate to over 90%.

Every SME manager contacted in relation to this study confirmed their need for, and recognised the benefits of, mentoring from a 'more experienced' individual. However, the needs of individuals and their businesses will vary considerably and their requirements from a mentor will differ. This raises the need for flexibility in a mentoring programme, and the importance of matching the right mentor to the right mentee.

To stimulate demand for mentoring, marketing is key. The mentoring programme/s need to be positioned at an appropriate level in the marketplace as a development tool for business leaders and not a 'quick fix' solution.

The advantage of mentoring over other forms of development activity is that, when it works well it focuses on real learning needs on a specific and personal level³. We would argue that whilst business advice offers an important service to SMEs, if we really want to develop a 'learning culture' and empower SMEs to sustain and grow their businesses, more emphasis should be placed on promoting the concept of mentoring as a development tool to the Welsh market.

The 3 recommended mentoring programmes we have designed have the potential to develop a much-needed learning culture in Wales. We believe the programmes can successfully be integrated in partnership with the Welsh Assembly Government (DEINS and DELLS) and external partners to enhance the existing business support network and meet the real needs of businesses.