

INTRODUCTIONS

Why I wrote The Effective Entrepreneur
Why You should Read It – the Proposition
Leaders, Managers and Entrepreneurs
About You
About this Book

an extract from

THE EFFECTIVE ENTREPRENEUR

A practical guide to leadership and
management of others and self

by John Caines

www.johncaines.com



The Effective Entrepreneur

- A practical guide to leadership and management of others and self

Book Design and Setting by Neil Coe (neil@cartadesign.co.uk)

Set in Rotis Serif 10.5 on 13.5pt

First published in 2007 by;

Ecademy Press

6 Woodland Rise, Penryn,

Cornwall UK TR10 8QD

info@ecademy-press.com

www.ecademy-press.com

Printed and Bound by;

Lightning Source in the UK and USA

Printed on acid-free paper from managed forests. This book is printed on demand, so no copies will be remaindered or pulped.

ISBN-978-1-905823-22-2

The rights of the persons named in the title of each chapter to be identified as the authors of this work has been asserted in accordance with sections 77 and 78 of the Copyright Designs and Patents Act 1988.

A CIP catalogue record for this book is available from the British Library.

All rights reserved. No part of this publication may be reproduced in any material form (including photocopying or storing in any medium by electronic means and whether or not transiently or incidentally to some other use of this publication) without the written permission of the copyright holder except in accordance with the provisions of the Copyright, Designs and Patents Act 1988. Applications for the Copyright holders written permission to reproduce any part of this publication should be addressed to the publishers.

i. Why I wrote The Effective Entrepreneur

It was a golden moment. Completing a review of progress at the end of the third quarter, told me that I was again on schedule to achieve all of my annual goals. As those goals covered all aspects of my business and personal lives, that conscious realisation was good news in itself.

Even better, it prompted me to notice and appreciate the great inner feel good factor that I had enjoyed over the previous year or so and which continues today.

The previous three months had seen a couple of 'arrival' points through completed projects. However, the great feeling was not one of completion or arrival but of a great ongoing journey. My satisfaction was derived from making good progress in the way to which I would aspire towards selected destinations of great appeal.

Previously, I had traditionally scored pretty well by external measures, and normally felt very positive about most aspects of my life, but my current sense of well being was reaching new heights and was it all inclusive.

How had this happy state of affairs arisen?

The critical change seemed to have occurred over a short period. Like many 'overnight' successes, it followed a long gestation. In my case, the most obviously relevant parts of my journey had comprised twenty five years of leading my own enterprises and several additional years of observing, advising and supporting other entrepreneurs.

Statistically speaking, the results of companies that I led puts me in the top 1% of entrepreneurs but it never felt entirely that way. Much of my time and energy was spent fighting fires. Persistence, drive and resilience and all the effort and tensions associated with those terms generated the typical flavour of most days.

Circumstances in my companies and their surrounding markets and industries often seemed unprecedented and unstructured. Business theory about anticipating market and industry changes, then organising my business to serve customers to the greatest mutual advantage was far more honoured in the breach than in the observance. Typically, we fought to

sell what we already had. Self reliance and independence were more in evidence than close harmonious partnerships with other parties.

Outside work, I have long been blessed with fulfilment through my family and have derived much pleasure from my sporting interests and pursuits. However, when I occasionally stopped to think more expansively, I often felt there must be more to life than I was experiencing yet I neither widened nor deepened my interests in any consistent way,

Following the sale of my largest company in 2001, I carried out a series of assignments as a business consultant and coach – across a range of both growth and recovery situations.

My enjoyment of this pattern of working grew rapidly and I committed to it, rather than returning to run a single enterprise. I evolved my relationships with companies into Chairmanships to reflect my wish to work with compatible teams over a medium term period to build great businesses. Typically, I would also invest, sometimes alongside a Venture Capitalist or other Business Angels.

By 2005/06, I would normally be involved with three or four companies and coaching several Managing Directors on a one-to-one personal basis at any one time.

After five years of the ‘pluralist’ life, the financial track record of my clients and investees looked pretty good with the current portfolio in good shape and promising some more spectacular outcomes. Just as importantly to me, I was now working enjoyably with and through other people far more than ever before.

Furthermore, I felt much more on ‘top of my game’ and in control of my time. I was substantively determining my agenda rather than being controlled by ‘events’ or other people’s priorities. In personal life, I was making manifest and satisfying progress across an enhanced range of interests.

What was I doing differently? Could I define the approach I was bringing to entrepreneurial businesses to enable a way above typical proportion of them to deliver stellar results?

These were the circumstances and questions that led me to ponder and then write down my ideas for being an effective business leader. The extension into ‘self’ leadership and management and focus on ‘independent’ businesses

and business leaders came later, evolving from the emergent responses to my questions.

The motivation to turn the results of my pondering into a published book arose from two related sentiments.

Firstly, and I will not dwell on this one, I have been very lucky in life and that good fortune is reflected in my current circumstances. I am now motivated to help others. If reading my story and ideas sets others on course for their success I would find that deeply satisfying.

There would be some irony in fulfilment of that wish for I do not expect to write anything that has never been written or spoken before. Much of what I will say is my adaptation of sage advice proffered to me in the past – to which I paid precious little attention. It has been a disturbing discovery that the knowledge that now seems most important to business success was available and ‘known’ by me long before I actually used it. In fact, discovering the profound truth of some old adages left me wondering, “why didn’t I listen?” when I had the chance.

Why should you read anything that has been said before? Firstly, it is just possible that certain useful points are, in fact, new to you as I draw on lessons learnt from many experiences and sources. I have been around for a long time. Secondly, my form of words or synthesis of ideas may register with you when previous exposure to the same topics has not. We all relate differently to any particular input and for some of you my expressions will ‘strike the chord’ that makes the critical difference.

However, the most likely reason that a statement will grab your attention is because it is pertinent to a current need of yours. The human mind has a great ability to filter out the ‘noise’ of irrelevant messages in order to concentrate on and apply what matters most at any given time. It would be brilliant for both of us if that time is now.

I have written this book on the basis that for many people the time is right for you to utilise what it says. The emphasis in that statement is on ‘utilise’. You should expect there to be much that you already ‘know’ but do not apply. When that is the case, ask yourself, ‘Why not? How about starting now?’

My second motivation in this project is simply the challenge of doing

it, i.e. to discover for myself if I can write down a single coherent and comprehensive framework that would encapsulate what I do to sustain effective entrepreneurship. Only a practical outcome would have real meaning so that framework will need to be relatively concise. It will need to be read, understood and remembered if it is to have any worth. It will be your conclusion that ultimately matters but I will report back on how I feel that I have met this challenge at the end of the book.

If I can succeed in my mission, the result will be of significant value to independent business leaders. That status, in turns, leads to the glimmer of an entrepreneurial opportunity. I will set up an '*Effective Entrepreneur*' web site to promote dialogue between you, me and our peers¹. That could turn into a mini business in its own right. That is entrepreneurship in action. I have objectives and returns in mind for my efforts – I can only succeed when I contribute to your goals.

Let us look forward to mutual success.

¹ Access via www.johncaines.com

ii. Why you Should Read It – the Proposition

You now have an idea of how I came to write *The Effective Entrepreneur*. Why should you read it?

Ask yourself if the following proposition is of value to you:

For readers fully engaging with it, this book gives hard working business leaders the opportunity to learn how to achieve full success in their business and personal lives. Unlike many other business writers, I have successfully led independent businesses in good times and bad, so the ideas put forward are practical to implement for other entrepreneurs.

If that proposition offers no value to you, stop now. If it does, consider what that value may be for you.

To obtain your full return from this book, you must promise yourself to read it actively and critically, relating to your own actual practices and performance as you proceed. Allow yourself to feel enjoyment and excitement as you realise how much you are already doing right and as you discover further ideas to enable you to perform even better.

Whether the book's prescriptive aspects work directly for you or not, you still have the opportunity to learn. Please think critically. Whenever you do not readily agree with my views, ask yourself what is the alternative, what is better for you? Either way, when you put your learning into practice you will be on the way to success and fulfilment.

iii. Acknowledgements

As *The Effective Entrepreneur* interprets and reflects all my experiences to date, the candidates for acknowledgement are rather numerous. Extended to its logical conclusion, I need to thank everyone that I have met, or observed in person or through the media, or whose views I have read or to whom I have listened. As such an agglomeration is too wide to be meaningful; I will narrow the field somewhat.

Let me quickly deal with a small group who have contributed invaluable. I have learnt a lot from people whose businesses failed, or who worked in a way that I detested or who let me down. Fortunately, that is a small group

and many more are in the positive experience category to which I now turn.

In terms of formal education, the London Business School was clearly the best thing that happened to me. My two year MBA programme transformed my view of the world and opened up avenues that were previously unimaginable to me.

In the event, I took a career path that would have been attainable without going to Business School. How much my MBA studies influenced my subsequent executive and business performance is open to debate. What is incontrovertible and demands my deep gratitude is the whole Business School experience that changed my outlook on life as a whole. It showed me that I could determine my level of success, rather than have others decide it for me. In this respect, it was, inevitably, my fellow students who taught me most, and several of them have continued to provide a life long learning-by-example facility for me. And in truth, graduating from one of world's top business school's gave me a level of self confidence in my ability that may never have emerged without it.

When I consider the value of two great years and the continuing benefits of Business School I must acknowledge and thank Professor David Myddleton who conducted the critical admission interview with me. My personal and academic credentials were raw at best. He must have seen something to rank me ahead of more polished candidates with far superior academic attainments and then exercised the courage to take the unconventional course.

It is people that I have met in business who have given me the most direct insights into what does and does not work. This broad group sub divides into those that I have worked with, those in other organisations with whom I have done business and those where my contact has been limited to observation. There may be ten or twenty individuals who have been most instructive over the three relevant decades. Each version of a list of names that I drafted seemed too long or too short so I am going to keep it anonymous just noting particular thanks to those people who have set out to be helpful to me. By definition, they know who they are.

A slightly different group is those who have 'selected' me without solicitation on my part. Decades of running a business inevitable means decades of

pitching for business. Selling has often dominated a great proportion of my time. Intensive campaigns, all too often came to count for nothing through not winning and sometimes the great triumph of another big order could be briefly savoured. Given the often frenetic effort of a major sales pitch and fretful period of waiting for a decision, the occasional phenomena of receiving a 'bluebird' call (i.e. unexpected, out of the air) inviting me to do something new and worthwhile has been very welcome.

'Bluebird' calls which have led to changes in direction and significant opportunities have come from Geoff Hester, Terry Harbour, Vic Forrington, Phil Tellwright, Tony Stott, Suzanne Hall-Gibbins and Stephen Shurrock. In succession, their initiatives were instrumental in bringing me away from the corporate world into the entrepreneurial sector, setting me up as an independent business practitioner, introducing me to the burgeoning business opportunities around Information Technology, placing me at the heart of entrepreneurial funding activity in my region, taking up my first Chairmanship of a Venture Capital backed business, establishing my career as a business coach and giving me the opportunity to run a quoted company. I owe them a lot.

Public speaking can be another form of career or business boosting opportunity. People who have taken a chance by inviting me to present at their events include Neilson Kite, Steve Gooding, Michael Howse, Stuart Chapman, Richard Male, Andrea Blakesley, Professor Barry Davies and George Heath. The latter was one of the first and most insistent advocates of me committing my ideas to print so he certainly deserves an extra mention amongst people that have made a difference to me.

Both sets of invitations involved some risk and putting faith in me, as opposed to my company's products or prospects as a financial investment, on something that mattered to the caller. I really appreciated these statements of confidence and did my best to see that they were validated by the results I produced.

In the latter pluralist phase of my career, one big change to my approach to business leadership and life has arisen from the discovery of Coaching. For me, its precepts make a great deal of sense and offer the means to communicate, in both directions, more clearly than I had attained previously. In business, a Coaching approach offers the means to simplify many situations to good effect and gives a structural framework for what I do. Using a coaching

philosophy and techniques to leadership and management for others and myself has reaped a rich harvest for me.

Coaching has registered so strongly with me because it is about what I do, as opposed to what a business does, or should do, and it has universal application. Indeed, in business and personal life it leads to aspirations, plans and actions being compelling and comprehensive rather than piecemeal.

Coaching is one of those terms whose meaning has become somewhat elastic as it has become more popular. I give my definition in Chapter 7.2. As part of my training to be a Coach, I gained accreditation in NLP (Neuro Linguistic Programming). I soon found NLP to be consistent with, and make sense of, my experiences in the past. NLP concepts and techniques have become fundamental to the way I lead and manage myself and interact with others. David Shephard taught me NLP and I thank and recommend him.

When it came to putting pen to paper for *The Effective Entrepreneur*, I benefited enormously from expert help. Mindy Gibbins-Klein turned a vague idea into a structured landscape with clear path through it. She took me from staring at an unclimbable mountain of undefined work to a manageable project with clear bite-sized steps. Mindy really lives up her epithet of 'The Book Midwife'. I want to thank her publicly for her exceptional service and to recommend her to any reader who needs to get a book out of their system.

After six months of working with Mindy and my keyboard, there was the daunting moment when somebody else had to see my work. Fortunately, it was a group of friends whom I knew would give me the frank and constructive feedback that I would need to make *The Effective Entrepreneur* suitable for a wider audience or, conceivably, to tell me that it should head for the waste paper basket.

My reviewers did sterling work and everything they told me was much appreciated whether or not specific ideas made it into the much revised version now in your hands. That group to whom I also extend my thanks comprised Neilson Kite, Peter Beech-Allan, Diane Savory, Rob Nicoll and Tony Burgess. Tony is an outstanding Coach who made the introduction to Mindy so I owe him a lot on more than one count. Diane and Rob both run independent businesses and both kindly told me that I seemed to have been

writing to them personally. That was the greatest encouragement to keep going despite my doubts and the daunting amount of rework that was all too obviously necessary.

On a personal basis, I can speak with conviction about the self leadership and self management processes that are central to this book as I have practised them myself. They enabled me to feel much more on top of my game, in control of my time and progressing towards bigger goals than ever before. For a while, *The Effective Entrepreneur* blew that claim sky high. Unlike other things that I do, it was very difficult to predict any relationship between input time and output. It also had to be 100% finished before it had any value for anyone but me. That meant I was susceptible to that 'last 5% of the project needing 50% of the time syndrome' which had so often made me very impatient as I waited for software developers or builders to complete their work.

Whilst writing this book, there were periods when I was certainly no longer on top of my time management. I found myself snatching too many early mornings and late evenings to stay even close to my production schedule. That way of working must have been very frustrating for my family and a throw back to earlier years when, like many entrepreneurs, my work displaced far too much of the time and attention that they deserved. This book is dedicated to them; they know that the great appreciation for their patience and support during this project is just a microcosm of how I feel about them and what they have done for me overall.

Looking ahead, I expect to continue to benefit from my longstanding sources of support, personal development and inspiration. By reading *The Effective Entrepreneur*, you are recruited to that group. Thank you for your custom and, in anticipation, for your feedback.



INTRODUCTIONS

- 1.1 Leaders, Managers and Entrepreneurs
- 1.2 About You
- 1.3 About this Book
- 1.4 Me

1.1 Leaders, Managers and Entrepreneurs

Many Entrepreneurs have a great vision yet fail to build a successful business because they lack the ability or inclination to turn their big ideas into viable business plans and deliver against them. In other words, they lack the 'ability to execute'.

'Ability to execute' is the hallmark of a good manager. Good Managers deliver what they commit to deliver.

Good management alone will not achieve great things. Creativity and vision are needed to set the goals and direction in the first place.

The ability to envisage a desirable outcome, or Goal, is the starting point of Leadership. To become effective the Leader must then be able to define the Goal precisely and communicate it clearly to the Managers.

Spotting an opportunity that others cannot see is the hallmark of an Entrepreneur. Translating it into a Vision, then to a well defined Goal and communicating it clearly to others who have the ability to execute (i.e. good Managers) is the path to effective Entrepreneurship.

Clear communication of a Goal is not quite enough. The Leader/Entrepreneur must also find the means to motivate others and him or herself to commit fully to its achievement.

The effective Leader will also find the resources to manage effectively – whether from within him or herself or through others.

This book is about how to join Leadership and Management together with the right mix of resources that are aligned and motivated to meet Entrepreneurial Goals.

1.2 About You

You are a leader or aspirant leader of an independent business.

The word 'entrepreneur' is used for convenience rather than to restrict the message to leaders of OMB's (Owner Managed Businesses). An entrepreneur may operate in many settings beyond running his or her own independent business. Examples of other cases could include leading an autonomous unit within a corporate organisation, a project or a voluntary activity. This book generally uses language and cases that are geared to the 'classic' OMB leader but applies to any of the above roles too.

You are a leader building something where you need a team to help you deliver. For the leader, particularly one who is asking for extraordinary results, the need to work with, to motivate and manage others, is often the most difficult challenge. Successfully working with and through other people is, nevertheless, essential if meaningful business Goals are to be accomplished.

You intend to be more than just a manager of a pre-defined operation confined to merely sustaining an established operation, e.g. a departmental function in a large organisation or running a small retail store. Successful companies, economies and societies need a blend of people ready to run today's mature organisations superbly well and another group, including you, who are ever seeking to break out of the *status quo* to improve the lot of themselves and others.

You are less than content with aspects of your current business status, performance and/or personal fulfilment. The reason may be clear in your mind or muddled; you may even be doing fantastically well by all external standards but you just FEEL that you are not as successful as you could or should be.

Your central desire and mission is to lead your team towards something significantly different and better. That better future may or may not be mapped out now – but you are definitely NOT about just managing the *status quo*.

You assume that it is **your role to lead** and you are acting upon that assumption. You have risen to the ancient challenge of “If not me, WHO? If not now, WHEN?”

You know that achievement of significant success in your life needs action on your part. It is more than a dream; you are not relying on riches via a lottery ticket or inheritance; you are going to create it.

You may already be working towards a set goal. You may just have an ill defined ‘away from’ restlessness such as wanting to escape the boredom, restrictions or just plain lack of spending power that frustrate you today. Whether your initial driving force is ‘towards’ or ‘away from’, the thoughts and techniques of *The Effective Entrepreneur* are equally applicable.

1.3 About this Book

The core of *The Effective Entrepreneur* is presented in four distinctive sections to meet the challenge of delivering its ambitious proposition to you.

The first section sets out some foundation blocks with some fundamental ideas that underpin both thinking about and actual engagement in entrepreneurship. As such, they also set the tone and provide underlying themes that run throughout the book.

“It’s a wise man that learns from the mistakes of others.” It is certainly less expensive that making them yourself, so in the second section, an autobiographical selection of my less good decisions and actions are mixed in with descriptions of better judgement and execution. These examples are offered for your consideration. Because of your different and fresh perspective on my narrative, you will also derive additional lessons that I still have not discerned.

When writing this section, it was interesting and meaningful for me to note how many lessons have been learnt in retrospect rather than being realised and applied at the time. Improving the ratio towards less retrospective learning would have considerable value and I make specific proposals in this regard in the final section of this book.

Thirdly, I filter and assemble the accumulated lessons of direct personal experience, my interpretation of other ideas and observation of other practitioners into a general framework to show what makes an entrepreneur effective.

In the fourth section, I become directly prescriptive about sound practical processes that take your ideas and turn them into the basis for action.

In my concluding remarks, I bring these approaches together with recommendations that reinforce and support your motivation to implement what you have learned from *The Effective Entrepreneur*.

1.4 About Me

The introductory description 'About You' is also a good description of me so I feel greatly empathetic towards you.

I demonstrated the impatience often associated with entrepreneurs by leaving school as quickly as possible and starting work at sixteen years of age. For six largely unsatisfactory years, I worked in large companies qualifying as an accountant before embarking on a life changing MBA at the London Business School.

For the subsequent thirty five years I have been immersed in independent entrepreneurial businesses. For most of that time, I have been leading my own businesses. Between 1975 and 1989 I evolved from working alone as an independent consultant to leading a successful software company employing seventy five people. In 1990, I disposed of the great majority of that business and kept a unit with eight staff. Over the next eight years, I built it into a profitable group employing five hundred staff across eight countries.

Self determination and self reliance were central to my leadership of companies over some twenty five years. Although these are good and necessary traits, I can now see that I could have worked much more smartly. In my 'career' sheer coalface effort and determination have often been more obvious than incisive strategy and understanding of others. More precise goal setting, greater people orientation and more directness and openness would have made me more effective and less pressurised.

More recently, in the 'portfolio' phase of my career I worked with dozens of owner managed and venture capital backed companies as a Non Executive Chairman or Director, Investor, Coach and Consultant.

From this perspective, it has become clear that I was not alone in making

entrepreneurial life difficult for myself. Many business leaders are working incredibly hard under great pressure. Sadly, it is too often true that their strategies can never succeed and leadership performance is just not good enough for them to ever flourish. Often they 'cannot see the wood for the trees', often they are haphazard in their methods and often the managers that report to them do not understand their brief or are simply not good enough themselves. When I have worked with those business leaders to remedy those deficiencies, applying the methods described in *The Effective Entrepreneur* has produced a high ratio of success stories.

Through directly experiencing and observing what does and does not work in business leadership, I believe that I have now evolved an approach that results in effectiveness, less stress and more enjoyment for business leaders. The ideas and methods that I have successfully applied with others are what I would now like to share with you.

This e-book is an extract from *The Effective Entrepreneur*. The nature of its subject matter allows it to stand alone as a helpful and practical guide. The rest of *The Effective Entrepreneur* gives a context and related ideas that reinforce and extend understanding of the material it contains.

Leading a growing business means going places where that business and perhaps that leader have not been before. Uncharted territory means dangerous territory.

The path to success will be taken more rapidly, more securely and there is more time to enjoy the journey when there is a good map available.

For leaders of independent businesses, *The Effective Entrepreneur* offers the guidance of a good map complete with helpful travel hints. It is addressed to and for the leader personally.

There are many books about business. Here, the focus is on the leader and what the leader should do personally. It unashamedly encompasses the personal life of the leader, from inner feelings through to non-business relationships and interests.

The Effective Entrepreneur clearly addresses the concerns of independent business leaders as these responses from the first two business people to review its pre publication draft show:

“You wrote this book just for me didn’t you John?”

Managing Director, £1.5 million software company

“You must have thinking about me when you wrote this.....”

Managing Director, £30 million clothing retailer

The happy result of adopting the lessons of *The Effective Entrepreneur* is not just less stress and more fulfilment for the business leader but even better business performance too.

