

# Developing the next layer of management

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*Jeanette Purcell, founder and director of JP Associates, discusses how to find – and prepare – the right person to take the business forward*

**A**t a networking event recently I was introduced to someone who had built a successful business over 10 years, selling and installing air conditioners. With a background as a heating engineer he started the business on his own, now employed two other engineers and had, over the years, enlisted the help of his wife, son and, most recently, his daughter. It was his daughter, he said, who had made him aware that the business had far more potential for growth than he realized. She had sought out new customers, weighed up the competition and persuaded her father to focus on customer service, something that, in the past, he had not considered important. ‘Now,’ he proudly told me, ‘she is doing an Executive MBA. The business is sponsoring her and already we are reaping the benefits. I am confident that I will be able to pass the business over to her and that, under her management, we will really take off.’

## The case for developing your talent

Here was someone who recognized the potential for his business to grow but understood that he was probably not the person to help the company develop. Luckily for him, his daughter quite obviously demonstrated the skills and talent required and he did the right thing by encouraging her further development. For other small businesses (often family owned) it is not so easy to identify the next layer of management. Many face the challenge of finding the people in their team who are going to move the company beyond its small beginnings to the next growth phase. And that’s not the only problem – having identified the need to develop its people, how does a small business, preoccupied with short-term survival in a period of recession, justify the time and the money required to invest in training? It’s an important question. However, the owner-manager of the air conditioning business reflects an increasing awareness that investment in the long term is crucial even, or

perhaps especially, when times are hard. And investment in MBA training continues to be the most popular option for potential business leaders.

## **MBA's are versatile**

Ten years ago the MBA might have been considered a qualification that was designed primarily for city high-fliers, was offered at a few prestigious business schools at a high price and only on a full-time basis. The situation has changed dramatically in recent years. The MBA market is strong and vibrant, despite the recession, and courses are available in thousands of good business schools in a range of formats. The beauty of an MBA is its versatility. It is essentially a general management degree, giving you good all-round business skills and preparing you for business leadership in any industry from manufacturing to consultancy. All MBAs offer the opportunity for students to specialize in their chosen field or area of interest, either through a range of electives that accompany the 'core' modules, or through a specialist MBA that focuses on a particular industry (there is even a very popular 'Wine MBA' delivered by the BEM Bordeaux School of Management!).

## **Leadership can be learnt**

There are some who argue that only experience can make a good manager, claiming that you can't teach leadership. Certainly, experience is important and business schools with accredited MBA programmes will insist on at least three years' relevant experience before enrolment onto the course. The intention is to build on and enhance what you already know and can do and to provide opportunities for you to share and exchange experiences with others on the course. If you come onto an MBA programme without experience you will struggle to keep up. But experience alone is not enough – it is inevitably specific to your own background, area of business and restricted to the particular challenges and projects you have managed. The real value of an MBA is its ability to enhance and develop 'real life' experience while at the same time adding new knowledge (the business theory if you like) and new, practical business skills. All of this in a stimulating, learning environment with a high level of academic and practitioner support. This combination of experience, knowledge and skills is extremely powerful and is, arguably, the richest and most effective form of learning.

## **Research the options**

Anyone considering enrolling on an MBA course should spend time considering what they want to get out of it, what type of course would suit them and how much time and money they are prepared to spend. If you are clear about these things and you research the options thoroughly, you have a better chance of choosing the right programme for you and therefore of getting the most out of the experience. There are

so many choices available that good planning and research before enrolment are essential. Not all MBA programmes are the same and business schools differ in their approach, their specializations and the fees they charge. Don't make the mistake of simply going for the most highly ranked business school or even of choosing the cheapest course you can find. Choose according to your needs. It's a good idea to consider only MBA programmes that are accredited by the Association of MBAs (AMBA) – accreditation provides an assurance of quality and, with over 45 accredited programmes in the UK, still offers a diverse range of courses.

## Part-time study

What will I get out of studying an MBA? The answer depends on a number of factors including the type of programme you choose: full-time, part-time, distance learning or any number of flexible study formats that are widely available. The part-time and distance learning courses are particularly attractive to those who need to continue working and want to spread the cost and time involved over a longer period. These courses involve a lot of hard work and commitment – it's not easy to start studying after working a full day and some of the tuition will often take place at the weekends. The advantage of a part-time course though is that it allows students to apply their new knowledge and skills in their workplace as they go along. In this way, both the student *and* their employer get a more immediate payback from their investment in the course.

## MBA content

MBA programmes include a range of subject areas and all will cover the basic business functions such as finance, marketing, operations and human resources. However, in response to changes in business practice and the global business environment, many business schools offer programmes that are far more international in content and delivery. It is not unusual, for example, for an MBA programme these days to involve international exchanges or to require the study of a second language. In addition, rather than focusing solely on the 'hard' stuff of business, MBA courses are increasingly focusing on the development of so-called 'soft' skills such as communication, team building, networking etc. This change of emphasis reflects the growing demand from employers for senior managers who can manage teams, work constructively with others and communicate effectively. It is interesting that what many MBA graduates remember as a key benefit of their training, is the opportunity they had to learn from and work alongside a highly talented, experienced and diverse group of fellow MBA students. A typical MBA course can include over 20 different nationalities from a range of cultures and backgrounds, which makes for a challenging and dynamic learning environment. The networks formed among MBA students during study are highly valuable and continue to add value long after graduation day.

## Financial support

MBA courses are not cheap and sadly the number of employers offering sponsorship to their staff for study has declined recently. Although many small businesses recognize the long-term benefits of funding staff development, others are reluctant to provide any finance. However, if money is an issue, it is worth considering some of the other ways in which employers can provide support for MBA study and protect their investment in the qualification. Time off for study or money for books are less costly alternatives and demonstrate a willingness to help. Employers can also specify that the MBA business project (a compulsory part of the course) is based on a particular issue or topic relevant to the company. In addition, employers paying tuition fees can also insist on a written contract that requires their employee to remain with the company for, say, two years after graduating. These sorts of arrangement are not unusual given the sums involved.

When money is tight, customers are scarce and competition is fierce it's all too easy to forget about the long term, neglect your people and avoid the question of succession planning. Enlightened businesses keep an eye on the long term and have discovered that the MBA opens up the possibilities for developing talent and for securing their company's future.

### Choosing a business school

- clearly specify your objectives, budget and preferred way of learning;
- seek out the business schools and programmes that meet your objectives;
- use all resources for information: websites, accreditation bodies, rankings, MBA fairs;
- visit your shortlisted business schools, you can even sit in on a lecture;
- ask business schools about funding options.

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