Selby & Mills

FOR THE ENTREPRENEUR QUESTIONNAIRE

Entrepreneur Counsellor's Guide

Guidance for counsellors and advisers

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SUMMARY

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INTRODUCTION

The Entrepreneur Questionnaire is designed to be used by individuals at any level who are contemplating a move to a self-employed status with the objective of generating a successful new business. Many factors other than the ability and dedication of the individual will influence the success or otherwise of self- employment and therefore the advice which is available following completion of the questionnaire cannot say conclusively whether or not someone will be successful. The objective of the questionnaire is to assist would-be entrepreneurs in making their decisions - not to take decisions for them - and the reports produced by the questionnaire should show up many of the key areas for them to consider before "taking the plunge". The commentary is objective, based on the candidate's own self- assessment, and provides a range of advice on strengths and weaknesses - together with suggestions on how these may be addressed, to improve the chances of success for the new business once it is launched. The questionnaire can be used by the individuals themselves, in that the reports produced are comprehensive and "user-friendly", but it can also be used effectively by those who are counselling and assisting such individuals in considering their future career options. These briefing notes are intended for those who are counselling and advising the would-be entrepreneurs; we have used the term "counsellors" to describe these advisors. Counsellors will find the questionnaire a valuable aid to discussion of the self-employment option, through its use of objective self-appraisal, which then generates a range of individually structured reports. These reports then highlight areas for further detailed discussion between the counsellor and entrepreneur, and for research prior to (and post) the launch of the new business. It may be used in one to one as well as group sessions.

ADVICE TO COUNSELLORS

Counsellors will first need to familiarise themselves with the Entrepreneur Questionnaire, and should then complete a questionnaire, albeit that the results may not be a true reflection of their capacity for self-employment, as they will probably be in some kind of employed or engaged capacity already and are probably not contemplating a change to self-employed status (or are already fully self-employed). Familiarity with the product will facilitate the administration of the questionnaire and will enhance both the understanding and the discussion of the report. We have made the assumption that the counsellor is knowledgeable about counselling and may also have had training in feeding-back the results of psychometric or other assessments. Counselling is a professional service, in which the client needs come first; it is mainly about helping the client to help themselves by making better choices and becoming better choosers. The skills involved include relationship building, actively listening to the client and assisting them to focus on the key decisions. It rarely involves offering specific advice or managing or training the client, although these may have their place at times. This is especially true in counselling the would-be self- employed, where the temptation for counsellors to move into "advice" mode is strong. One key facet of counselling is knowing where the limits of one's own professional abilities lie, which is very relevant when working with a client considering self- employment, as it is very easy for the counsellor to move from an objective and supportive counselling role to one of "amateur consultant" to the business. Specific counselling points for the self-employed is addressed in section 2.4 below. This document does not aim to provide advice or training in counselling skills. It focuses instead on how counselling

skills may be directed to best effect, using the Entrepreneur Questionnaire, for clients who are considering self-employment. The sections which follow are:-

Who should complete the Entrepreneur Questionnaire.

Introducing the candidate to the questionnaire.

Completing the questionnaire.

Counselling the candidate using the report.

Who should complete the Entrepreneur Questionnaire

The questionnaire is designed to be used either by individual candidates or by those who have access to practical and professional advisory counselling from a suitably qualified person. It is capable of being completely self-run, but additional benefits will be derived by candidates who discuss the reports produced by the questionnaire with a counsellor. The "ideal" candidate will be considering a start into self-employment within a few weeks, i.e. someone facing a real choice which has to be validated in the fairly near future, before taking a decision. The questionnaire will not be as helpful to someone who is only faintly interested in self-employment, or if the new business being considered is for establishment at some distance into the future, or with someone who is already two or three years into self-employment. However, even in these cases, some benefits may be derived if the questionnaire is completed and discussed in an open and candid manner. The questionnaire may be used across a wide range of educational and career attainment, because the experience used as a base for the original development covered people at all levels from ‘blue collar’ to senior director and the same spectrum of people has used it in subsequent years. This subsequent use has been incorporated into the latest release. The advice within the reports is designed to invite further exploration and development by the candidate and the counsellor, whatever the business idea under consideration. A word of caution is relevant where someone completing the questionnaire feels they have "no option but to choose self-employment", for example, because they feel their age rules out further attractive employment prospects following redundancy. Being "required" to undertake self-employment as "the only option" is not a sound basis for success on its own and, in these cases, the report may be seen by the candidate to be rather discouraging in tone. However, it will identify key areas to be explored and developed, with counselling assistance and support, to minimise the risks inherent in moving to self-employed status from the "protection" of employed status. Such candidates may need to be supported through the initial stages of establishing their business, but particular care is needed to ensure that decisions are not made for them and that, over time, they become more committed to their business.

Introducing the candidate to the questionnaire

Candidates will need to complete the questionnaire in a quiet environment, to enable them to concentrate and give appropriate consideration to the questions. To help ensure that due care is taken, it will be worth explaining to candidates:- the purpose of the questionnaire, which is to help them develop greater understanding of themselves, their skills and traits, the possible weaknesses and risks and to consider actions which could be taken to enhance strengths and minimise weaknesses etc. the nature and content of the questions, the time normally needed to answer them (around 15 minutes) and the nature of the report. that the first answer to any question is probably the right one, and that it is important to complete the questionnaire fairly quickly. the feedback and discussion available afterwards. your own role, the confidentiality of the results and the discussion, and the use of the results subsequently. You may also wish to have available for candidates a printed statement setting out your (organisation's) policy on the confidentiality of the results (referred to above) and describing the opportunity they will have to discuss the report produced with a suitable person. When preparing someone to complete the questionnaire, it is always advisable to ask candidates to be as candid as possible in responding to the questions. With any self- assessment questionnaire candidates will tend to look at themselves through "rose- tinted spectacles", but with self-employment in mind, there is often an element of "scoring up" by candidates, due to their enthusiasm to “get started” in their new business, and because some of the questions are necessarily transparent. Some of this will be addressed by the internal scoring of the Entrepreneur Questionnaire, but in your subsequent discussions, you should retain a healthy element of doubt and scepticism, requiring the candidate to convince you of the logic of their decisions and the evidence on which they are based.

Completing the questionnaire

The questionnaire is available to be completed on-line and you will have been provided with an appropriate URL address to use. This address gives access to the questionnaire. Counsellors should be familiar with the procedure, unless there is another person in the company who is trained in the administration procedures. The process is relatively simple and understanding internet access is not a component of the questionnaire - although it is becoming increasingly common for the self-employed to need access to computers and the internet. Candidates will often appreciate it if the counsellor or person administering the questionnaire oversees the first few questions before leaving them alone to complete the questionnaire. Upon completion of the questionnaire the report will typically be generated within 24 hours and emailed to either the candidate or your organisation depending on how the system has been set-up.

Counselling the candidate, using the report

Introduction

The report produced by the questionnaire is based on the business experience of the authors, assisted by many other advisors who have counselled a wide range of people considering the step to self-employment in a small business. This experience has been combined with leading edge psychometric and computer-aided assessment expertise. The results have been trialled in one of Europe's largest outplacement companies, serving many clients from small businesses to Times "Top 100" companies. The reports are generated from the individual's own responses to the questionnaire and are an advisory pack offering sound assistance to those about to establish their own business, to which counselling can add materially. The report produced comprises:- (a) a personal profile indicating the candidate's overall aptitude for self- employment with advice covering those issues highlighted by the responses to the questionnaire; (b) a review of the specific issues relating to money, the family and general business skills, again specifically related to the issues raised by the candidate;

The questionnaire addresses some of the main problem areas for self-employment and the specific issues raised by responses to the questions will result in advisory reports; these are usually generated as a result of a number of question responses for additional reliability. The comments will identify weaknesses rather than strengths (because the candidate will probably be aware of key strengths for the business) and we suggest that counsellors use the reports as pointers for further discussions. The reports will usually generate some helping suggestions, but it will almost certainly be worth selecting some of the main weaknesses in relation to the kind of self-employment which being contemplated, and discussing with the candidate their plans to combat these weaknesses. Counsellors will need to take particular care to ensure that they do not unduly influence the would be entrepreneur, but rather assist with the identification of potential problems and encourage research and action by the candidate to identify possible solutions. In counselling candidates on the report, the following key aspects should be borne in mind.

Report Section One

In the first section, "Your Personal Profile", the individually generated reports will start with one of five general introductions (the choice being dependent on the overall pattern of the candidate's responses), ranging from a fairly positive attitude towards the candidate's self-employment prospects, to a considered view, suggesting reconsideration of employment prospects instead of self-employment. After this summary profile, specific reports are then generated relating to individual responses to the range of questions. Three of the key issues most often raised with candidates by this section relate to commitment and determination, hours of work and working on one's own. Determination to succeed, even when the odds are against success, is seen as a prime requirement for self-employment. A commitment to success, especially one driven by a desire for financial rewards, has been shown to overcome many obstacles. Explore with the candidate their motivation, commitment and determination to succeed. Candidates for self-employment will need to understand early that huge effort is required. There are also likely to be many and regular setbacks to be overcome. Working through these may require your support and encouragement for some time. Many would-be self-employed will have the view that self-employment "allows you to work as you want, when you want"; this generally-held view must be examined closely at an early stage. Almost invariably, for either "good" or "bad" reasons, self-

employment will require substantially longer hours of work than the former employment, although sometimes candidates will have been working very long hours for a previous employer and candidates may require convincing on the necessity of longer hours. One of the risks may instead be that, because there are no externally defined hours of work, some entrepreneurs will be unable to limit their involvement in the new business to a sensible work pattern, working "all the hours of the day and night" - to the detriment of health and/or family. This should also be considered - if you think it may be appropriate. When someone has worked for years in a corporate environment, the concept of working on one's own can be very attractive, part of this attraction being a perceived saving in time previously "wasted" in meetings or seeking approvals from the "boss". What is often not appreciated until it is too late is the solitary existence of the owner of an "own business" and it will be worth exploring with candidates how they will seek advice and gain support in times of crisis, particularly as your own role is likely to be limited. No-one will have a similar interest in the progress of the business as the entrepreneur, not even his family members. Perversely, some of the personal strengths useful in self-employment, eg independence, can mitigate against effective networking amongst friends and former colleagues etc for the additional support necessary at these times. In this section particularly, responses which are at either end of the range offered (ie "to a very great extent" or "to a very limited extent") can cause problems. It is said that every strength has a corresponding weakness and in reviewing the results, consider also the possible negative impacts of the perceived/identified strengths, eg responding positively to criticism without due consideration may be as bad for the business as rejecting the criticism outright. Seeing the weaknesses inherent in the strengths can often be a problem for the budding businessman.

Report Section Two

In the second section of the report, there are three sub-sets of questions covering "Money", "Family" and "Skills". Under "Money" two issues deserve particular mention. Cash control is key to any business and for many new firms, effective cash management will be a new requirement. It will be worth spending time discussing how cash will be managed (from prompt invoicing to debt collection, from generating new sales to controlling overheads etc) as well as the book-keeping requirements of the business. A "golden rule", rarely broken, is that the cash requirements of a new business will be more than double those predicted pre-launch. Has this possibility been allowed for? In a related point, many entrepreneurs do not understand the real role of clearing banks and their natural requirement for security for any credit or lending facilities.

The role of the family is explored in the second part of this section and this subject should form a major area of discussion for you and the candidate, perhaps involving the partner and/or family in those discussions. What are the partner's own perceptions of the business, his/her aims, requirements etc? How supportive are family members of the new venture? Will they contribute financially or ethically? Under the heading "Specific skills", the candidate is asked about his/her own skills and the professional assistance which has been lined up. Part of the "secret of success" will be establishing whether there is a good match between the entrepreneur's skills and those required for the new business. Where there are gaps, have alternative ways of addressing the issue been identified? In some areas it would be foolhardy for most candidates to manage independently rather than use proper professional assistance (e.g. where a solicitor or accountant is required), although the specific source of such advice may not yet have been identified. In almost all new businesses, a degree of selling ability will be required from the entrepreneur, or it will have to be bought-in or acquired, to generate the necessary sales of products, services or personality. Appropriate selling skills - and if possible experience in this area - are essential and you should explore with the candidate how this will be obtained. In your discussions, don't see the reports as covering the complete spectrum of requirements as far as skills are concerned. Use your

own knowledge, coupled with that of the entrepreneur, to establish as far as possible the key skills required for the business and how any gaps which are revealed will be plugged.

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Entrepreneur Counsellors Guide

SUMMARY

The report is designed to be read as a stand-alone document, but some people may not read the report fully, may not wish to take on board the comments or recommendations, or may be in the position that they have to move into self- employment reluctantly because of age or other reasons. In all of these cases the provision of counselling or feedback by a trained individual can be of great benefit. We suggest that both parties read the report separately, (the candidate should also ask his/her partner to review and comment) and then at a separate meeting the comments should be reviewed. It may also be appropriate for some other people who know the candidate to comment, for example the last employer or manager. The comments in the report assume that the questions have been answered honestly and “objectively”; if not, the results reported will be incomplete. As the counsellor, you should use your own judgement about this and bring up any areas for discussion where you have doubts. It would be useful for the candidate to prepare a written (but brief) business plan identifying the key strengths and weaknesses of the proposed new business, with comments on how the weaknesses or potential problem areas (identified by him/her, by the partner or friend, or by the questionnaire) will be minimised. For whatever reason, people considering self-employment start from a position of enthusiasm. The counsellor's role is mainly to bring a degree of realism to the venture, to encourage the entrepreneur to make a detailed and considered appraisal of the venture and the attendant risks, and to encourage adequate effort. It is unlikely that the counsellor will need to encourage or urge people to go ahead; indeed, if there is any doubt, the safe option may be to encourage the pursuit of a safer option. It will undoubtedly aid the discussion if the counsellor has experience of (any) self- employment, but it is not necessary to be an expert. Knowledge of self-employment, coupled with experience in counselling and the ability to recommend sources of further advice will be much more important. The candidate should be encouraged to see the results of the questionnaire as necessarily incomplete and the beginnings of a voyage of discovery. The initial stages are a time of discovery, development, research and many false turns in the search for the best formula to establish the new venture - or to decide that it is not viable or too risky etc. Effective counselling and support can assist the candidate to achieve this objective. 17/03/2014 Version 2.11 Page 11