ENTREPRENEURSHIP

EMERGING FROM CHAOS TO ORDER

Interactive Seminar by
Basil Springer GCM, PhD
Change-Engine Consultant
basilgf@caribsurf.com

Nelson Mandela Room
Centre of Excellence, Macoya
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Philosophy

When Trinidad and Tobago wins
We all win
How do we Stimulate a Winning Culture?
Vision and Action

Vision without action is mere fantasy
Action without vision is folly
Neither Vision nor Action
Reeks of irresponsibility
Vision and Action induce Synergy

(Springer August 1993)
Vision Culture

Stakeholder Action Culture

Individual Productivity • Private Sector Development
Trade Union Effectiveness • Civil Service Efficiency
Political Survival • The Unique Message of the Church
Civil Society Support • Enabling Policy Environment
Adopt The Business Approach

Selling Goods or Services to Customers

Customers Pay for Goods and Services

Customers receive Benefits
<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Goods/Services</th>
<th>Customer Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual</td>
<td>Based on training and experience</td>
<td>Employer Staffing need fulfilled Successful Entrepreneur satisfying Customer wants</td>
</tr>
<tr>
<td>Private Sector Enterprises</td>
<td>Depending on type of business</td>
<td>Customer wants satisfied</td>
</tr>
<tr>
<td>Trade Unions</td>
<td>Collective Bargaining and Consulting</td>
<td>Workers’ productivity enhanced for fair compensation</td>
</tr>
<tr>
<td>Civil Service</td>
<td>Public services</td>
<td>Efficient regulatory and service environment</td>
</tr>
</tbody>
</table>
## Action Environment for Business Opportunity (2 of 2)

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Goods/Services</th>
<th>Customer Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politicians</td>
<td>Representation</td>
<td>Constituents needs satisfied</td>
</tr>
<tr>
<td>Church</td>
<td>Spiritual awareness</td>
<td>Congregation's spiritual needs satisfied</td>
</tr>
<tr>
<td>Civil Society</td>
<td>Services in support of the public and private sectors</td>
<td>General public better served</td>
</tr>
<tr>
<td>Cabinet/Parliament</td>
<td>Policy: Regulatory and Service functions</td>
<td>Socio-Economic well being - Happiness</td>
</tr>
</tbody>
</table>
Whoever is the Stakeholder

- Individual
- Private Sector
- Trade Union
- Civil Service
- Politician
- Church
- Civil Society
- Cabinet/Parliament

We can adopt a Generic Business Approach towards Sustainable Business Success
Irrespective of the Stakeholder

- Individual
- Private Sector
- Trade Union
- Civil Service
- Politician
- Church
- Civil Society
- Cabinet/Parliament

The Existing Situation is often one of **CHAOS**

We need to migrate to a path where **ORDER** prevails - a path to **Sustainable Business Success**
Let us look at

The Private Sector Stakeholder

as an example to demonstrate the Principles which I want to share

However with a little adaptation these Principles can be applied to all Stakeholders
Enter

Private Sector
Enterprise Development
Construct of the Enterprise

Inventor
Presents Idea/Concept

Innovator
Converts idea into a product/service for sale

Entrepreneur
Starts small; Does it right; Makes a profit; Then expands
I am going to share experiences obtained from the CBET journey 2001-2012

http://cbetmodel.org/

Caribbean Challenges and Solutions

Applicable to any Country
Major Challenges to Enterprise Development

#1 Poor selection of enterprises and promoters of enterprises

#2 High failure rate of Start-up enterprises

#3 Lack of timely access to appropriate sources of finance

Money is not the challenge – access to it is!
The Solution
Advent........

The CBET Shepherding Model™
The CBET Shepherding Model™

A Caribbean Catalyst Turning Concepts into Commercial Realities
The CBET Shepherding Model™

I have promoted the Model 2012 – 2014 in T & T

as a Catalyst to Expedite Enterprise Development Strategies
The CBET Shepherding Model™

Identified the Challenges

Now provides the Solutions
The CBET Shepherding Model™
Challenge #1

How to select enterprises to grow the economy?

Solution #1

Choose “DNA of an Elephant” enterprises and conduct due diligence on the enterprise and the promoter.
The Economic Gearing System Example

1 Tourism Sector

“DNA of an Elephant”

2 Hotels & Tourist Attractions Sub-Sector

3 Taxi, Restaurant, Agriculture & Dive Sub-sectors
The CBET Shepherding Model™

Challenge #2
How to address high failure rate?

Solution #2
Give special care to the management of business systems (Shepherding)
The CBET Shepherding Model™

Shepherding

Life Coaching for the Entrepreneurial Mindset

Business Mentoring for the Success of the Enterprise

(Can be more effective than training)
The CBET Shepherding Model™

Challenge #3

How to get access to Finance?

Solution #3

Introduce Innovative Seed/Equity Capital Model

Give Government Incentives to the private sector to capitalize Equity funds

(an alternative to loans)
IN SUMMARY
Model consists of three processes:

#1 The Enterprise selection process

#2 The Shepherding process

#3 The Seed/Equity capital investment process
The CBET Shepherding Model™

#1 The Enterprise Selection Process

- Select Enterprises with DNA of an Elephant potential either through a competition or direct application
- Conduct due diligence on the enterprise and the promoter before final acceptance into the family of enterprises
The CBET Shepherding Model™

#2 The Shepherding process (1 of 3)

- Introduce enterprises to the CBET Shepherding Model™ to give a full appreciation as to what is involved in enterprise development

- Select, assign, contract Shepherds
The CBET Shepherding Model™

#2 The Shepherding process (2 of 3)

- Source and contract business advisors, as appropriate
- Train Shepherds and Business advisors in the use of the ManOBiz Matrix™ as a Shepherding (action planning, gap analysis and monitoring) tool
The CBET Shepherding Model™

#2 The Shepherding process (3 of 3)

- Work with enterprises to develop business plan with equity capital investment request
- Work with enterprises to generate revenue for the enterprise
#3 The Seed/Equity capital investment process (1 of 3)

- Establish Seed Capital (SC) and Equity Capital (EC) Fund and approve EC request
- Pay pre-investment costs of shepherds and business advisors from SC fund
- Mark-up pre-investment shepherding costs are by 50% and add this sum to the EC request to augment the EC investment

(The 50% mark-up is designed to ensure that the SC fund revolves and grows and is not depleted so that other enterprises may be assisted as the demand dictates)
#3 The Seed/Equity capital investment process (2 of 3)

- Commission an independent valuation to determine the share distribution between the enterprise and the investor
- Issue enterprise shares in return for EC investment (SC refund + EC request)
- Absorb the pre-investment funds advanced by SC fund if EC investment request is not approved
The CBET Shepherding Model™

#3 The Seed/Equity capital investment process (3 of 3)

- Commission an independent valuation at any time to determine how much cash is required to buy out the EC fund’s shares by the enterprise

- Buy out by the enterprise of EC fund’s shares at any time (cash flow permitting) based on the independent valuation
“Shepherding as Collateral”

Shepherding Mitigates the Risk of Business Failure and hence secures the Seed & Equity Capital Investment
The New Construct of the Enterprise

Inventor - Presents Idea
Innovator - Converts idea into a product/service for sale
Entrepreneur
Starts small; Does it right;
Makes a profit; Then expands
Shepherding
Mitigates the risk of business failure
A Shepherding Tool

ManOBiz Matrix™

The Management of Business Systems Matrix
ManOBiz Matrix™

The Five Classical Functions of Management are:

- Planning
- Organizing
- Staffing
- Leading
- Monitoring
The Management of Business Matrix™

The five Classical Systems of Business are:

1. Corporate Governance
2. Marketing
3. Operations (Technical, Support Services, Administration, ICT, Accounting, Facilities)
4. Human Resources
5. Investment Finance
If we take all combinations of the five functions of management and the five systems of business, these define the 25 cells of the ManOBiz Matrix™.
## Corporate Governance
### Business System (5 cells)

<table>
<thead>
<tr>
<th>Management Functions</th>
<th>Corporate Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Board Meeting Culture</td>
</tr>
<tr>
<td>Organizing</td>
<td>Agenda and Minutes</td>
</tr>
<tr>
<td>Staffing</td>
<td>Board Members and CEO</td>
</tr>
<tr>
<td>Leading - Execution</td>
<td>Company Action Plan</td>
</tr>
<tr>
<td>Monitoring</td>
<td>All Targets Monthly</td>
</tr>
</tbody>
</table>
# Marketing Business System (5 cells)

<table>
<thead>
<tr>
<th>Management Functions</th>
<th>Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Customer Needs/Satisfaction Culture</td>
</tr>
<tr>
<td>Organizing</td>
<td>Marketing Matrix</td>
</tr>
<tr>
<td>Staffing</td>
<td>Marketing Team</td>
</tr>
<tr>
<td>Leading - Execution</td>
<td>Marketing Plan</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Sales Targets ($) Weekly</td>
</tr>
</tbody>
</table>
## Operations (OPS)
### Business System (5 cells)

<table>
<thead>
<tr>
<th>Management Functions</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Profitability Culture</td>
</tr>
<tr>
<td>Organizing</td>
<td>Income Statement</td>
</tr>
<tr>
<td>Staffing</td>
<td>OPS Team</td>
</tr>
<tr>
<td>Leading - Execution</td>
<td>OPS Plan</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Profit Target (%) Weekly</td>
</tr>
</tbody>
</table>
### Human Resources (HR) Business System (5 cells)

<table>
<thead>
<tr>
<th>Management Functions</th>
<th>Human Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Shepherding Culture</td>
</tr>
<tr>
<td>Organizing</td>
<td>Life Coaching</td>
</tr>
<tr>
<td></td>
<td>Business Mentoring</td>
</tr>
<tr>
<td></td>
<td>Training</td>
</tr>
<tr>
<td>Staffing</td>
<td>HR Team</td>
</tr>
<tr>
<td>Leading - Execution</td>
<td>HR Plan</td>
</tr>
<tr>
<td>Monitoring</td>
<td>Training/ Motivation and Productivity Targets</td>
</tr>
</tbody>
</table>
## Investment Finance (IF) Business System (5 cells)

<table>
<thead>
<tr>
<th>Management Functions</th>
<th>Investment Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td>Investment Payback Culture</td>
</tr>
<tr>
<td>Organizing</td>
<td>Equity or Loans</td>
</tr>
<tr>
<td>Staffing</td>
<td>INF Finance Manager</td>
</tr>
<tr>
<td>Leading - Execution</td>
<td>INF Plan</td>
</tr>
<tr>
<td>Monitoring</td>
<td>INF needs $ INF ROI % Quarterly</td>
</tr>
</tbody>
</table>
# ManOBiz Matrix™

**TEMPLATE AND DASHBOARD (25 cells)**

<table>
<thead>
<tr>
<th>Functions of Management</th>
<th>CG</th>
<th>Mktg</th>
<th>Ops</th>
<th>HRD</th>
<th>Investment Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organising</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staffing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Execution of Action Plans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monitoring</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A snapshot of a business at a given point in time
Shepherding!

What is in it for you?

Shepherding Helps you to TRANSITION FROM CHAOS TO ORDER
# Shepherding – What is in it for You! (1 of 2)

<table>
<thead>
<tr>
<th>You</th>
<th>Shepherding will help you to…</th>
<th>The Benefit of Shepherding is to…</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Entrepreneur in the Making</strong></td>
<td>…make the decision to leave your job and start your own business</td>
<td>…help you face and address the issues which are getting in your way, so that you can feel confident in making the decision</td>
</tr>
<tr>
<td><strong>Entrepreneur</strong></td>
<td>…grow your business through a simple step-by-step planning and monitoring process</td>
<td>…put the business on a path to sustained profitability, if carefully followed</td>
</tr>
<tr>
<td><strong>Shepherd</strong></td>
<td>…prepare yourself to help entrepreneurs grow their business through a step-by-step planning and monitoring process</td>
<td>…augment your experience to help the entrepreneurs to clear obstacles along the journey to profitability</td>
</tr>
<tr>
<td>You</td>
<td>Shepherding will help you to…</td>
<td>The Benefit of Shepherding is to…</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Investor</td>
<td>…protect your investment, by introducing to you an innovative form of collateral</td>
<td>…secure your investment so that you can get an attractive return</td>
</tr>
<tr>
<td>Board Member</td>
<td>… be more efficient, by focusing on interpreting shareholder policy, approving plans and monitoring the performance of management against those plans</td>
<td>…ensure that the profitability of the business can grow from strength to strength</td>
</tr>
<tr>
<td>National Policy Maker</td>
<td>…create a user friendly enabling environment to support entrepreneurs on their journey towards enterprise development</td>
<td>…so that the nation can increase its rate of economic growth, one successful entrepreneur after another</td>
</tr>
</tbody>
</table>
Here is to Sustainable Economic Growth in Trinidad and Tobago
One Successful Enterprise after another
Thank You

http://nothingbeatsbusiness.com/
http://marketplaceexcellence.com/