

Why Business Mentoring Matters

Presentation to Back to Business
Workshop at Mittagong RSL
2nd March, 2017

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Business Failures Research

- More than 60 percent of small start-up businesses fail within 3 years (ABS).
- Australian Securities and Investments Commission research on failures:
 - 44% suffered poor strategic management
 - 40% had inadequate cash flow or high cash use
 - 33% suffered from trading losses
 - Biggest reason for failure is a lack of capital
 - **All signs of having no clear strategy**

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Business Failures Research

Other reasons for business failure

- A lack of proper training
- Caught up in day-to-day issues - little attention to long-term plans
- Lack education and awareness and leads to a quick downfall
- Many people don't seek help because they think they will be OK

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Business Mentoring Benefits

The numbers support it

- Mentoring **doubles** the chances of a small business surviving more than 5 years
- Mentored firms increase revenue by an average of 106% vs. 14% for non-mentored
- 88% of business owners say having a mentor to lean on is "invaluable."

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Business Mentoring Benefits

Helps you to expand your network

- A mentor may not have all the answers, but they are usually able to connect you with other people who can help.
- A mentor can help you find investors, clients, co-founders, or contractors to help you succeed.

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Business Mentoring Benefits

Low Risk - it will still be your business

- Mentors don't do the work for you. They open doors for you to walk through.
- Your mentor won't "take over" your business
- You can take legal steps to protect your inventions or trade secrets, if required.

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Business Mentoring Benefits

A low-no cost way to increase profit

- Mentor-mentee relationships are built on a foundation of mutual respect, not money.
- Good mentors expect little or no payment in return for their help.

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Benefits Summary

- A business mentor can help you avoid tunnel vision so you can see the weaknesses in your business
- **There is no substitute to sitting down with someone who can show you how the pieces connect, where you're going wrong and what you need to do to fix your business - before it's too late.**

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Regional Impact on Start-ups

A business start-up strategy that includes mentoring is likely to be 3 times more effective at job creation than one that does not.

Estimated Start-ups difference to 2031

- **Without mentoring = 58 firms / 160 jobs**
- **With Mentoring = 104 firms / 490 jobs**

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Impact On Established Businesses

Estimates

- Currently 5000 companies / 20,000 jobs (approx.)
- 1% of firms mentored p.a. = 750 firms by 2031
- 70% of firms survive 15 years = 500 retained firms
- Average firm size rises from 4 to 10 employees
- **500 firms = 2000 current jobs plus 3000 new jobs**

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Major threats to job estimates

- **Job Automation**
 - 40-50% jobs lost by 2030
- **Climate Change**
 - Increasing Disruption

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Job Losses due to Automation

Examples:

- Accountants, doctors, lawyers, teachers, bureaucrats, and financial analysts because computers will be able make financial and medical decisions.
- Long haul truckers and cab drivers once self-driving vehicles become pervasive
- **Local impacts = 8,000-10,000 jobs**

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Increasing Climate Disruption

- NASA / Copernic Global Average Temperature in 2016 was 1.18°C above 1850 average
- Average rise per year for last 5 years = .09°C
- Simple calculation at average for last 5 years
 - 2°C by 2026
 - 3°C by 2036
 - 4°C by 2046
 - etc, etc.
- **OPPORTUNITY: Climate change related products and services via Mentoring / Smart Collaboration**

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Great Change = Great Opportunity

- Water
- Food
- Shelter
- Energy
- Transport
- Technology
- Art / Design
- Recreation
- Business
- Learning

5,500 new/retained jobs via Business Mentoring
4,500 new jobs via Smart Collaboration between Sectors
Potential to meet a target of 10,000 jobs for our region

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Summary of Benefits

- Business Mentoring can double the success of our businesses and **significantly improve employment opportunities for our region**
- Business Mentoring, coupled with Smart Collaboration between Sectors, is arguably the **best way to turn our biggest threats – Job Automation and Climate Change – into our biggest opportunities.**

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Local Mentoring Services

- BEC (Business Enterprise Centre)
- State / Government Agencies
- *HERD/UoW Incubator Project
- *Community-based Business Mentors
- *Specialist Local Mentors / Consultants

* In development

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

BEC (Business Enterprise Centre)

Services for:

- Start-ups
- Established Businesses
- Exit/Succession Planning

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

State / Federal Government

Various services including:

- Export ready / Austrade
- Industry NSW Programs
- Innovation related Grants

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

HERD/UoW Incubator*

Joint Venture covering:

- Lean Start-ups
- Funding Help
- Start-ups Mentoring Focus
- Youth Entrepreneurs Support

*In development

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Community-based Mentors*

- “Dating service” for Mentors-Mentees
- Volunteer Mentors from within community
- 70,000 businesses over 25 years in NZ
- Low cost - \$225NZD p.a. for Admin
- Opportunity to become Australian agent
- Existing firms focus

*In development

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Local Specialists*

- **Low Carbon Living CRC Project**
 - Originated by Blue Mountains / CSIRO
 - Reduces energy costs by 15%-25%
 - Customers prefer low carbon suppliers
 - Part time funded via CRC / WSC
- **LEAN Management**
 - Expect 25%-75% productivity increase
 - Funding T.B.A.

*In development

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017

Want to know more?

Contact:

Noel Ferguson

Economic Development Manager

Wingecarribee Shire Council

noel.ferguson@wsc.nsw.gov.au

Why Business Mentoring Matters | Presenter: Noel Ferguson | noel.ferguson@wsc.nsw.gov.au | 2nd March, 2017