

# Applying the Research: Recommendations Checklist

## Brexit

- ☑ Given the disproportionate contribution MSBs make to the economy, government and academia may need to consider prioritising skills development and workforce supply for MSBs that directly meets their specific requirements.
- ☑ There should be greater levels of engagement directly with MSBs in tactical workforce planning, pipeline management and immigration solutions.
- ☑ Domestic expansion was a key priority for MSB boards, which could potentially be a response to Brexit's impact on impeding access to the single market of the EU. MSBs will need to improve their product and service innovation if they are to achieve this domestic expansion in what could become a highly competitive UK market. MSBs should qualify for a greater priority with government to raise their concerns regarding Brexit preparations and in relation to post-Brexit strategies such as increasing domestic competition.

## Productivity

- ☑ As technology presents new opportunities to do things more efficiently, MSB leaders will do well to adopt the philosophy that they cannot protect jobs, only their people. They must make a conscious effort to build agility, adaptability and reskilling capabilities into their organisations, while simultaneously retraining the talent they currently have to assist in the realisation of productivity and innovation strategies.
- ☑ It is clear from the research that MSB boards need to be much more aware of Industry 4.0 and set clear strategies to define and apply its principles.
- ☑ All MSBs will be well served by the strategic consideration of the value of machine learning and AI technologies at the board and senior executive levels. This may take the form of, for example, an expert NED, specialist advisors, consultants, reaching out to local universities, or the specialist training of executive and board members.
- ☑ Investing in the health and wellbeing of employees is proven to increase productivity and should feature prominently in human capital and productivity planning of MSB boards.

## Technology

- ☑ MSBs themselves (and particularly boards) should prioritise technology and develop a clear and explicit organisational perspective on what it means to them and its value to their organisation, and consider emerging and advanced technology centrally when planning.
- ☑ No matter the sector, the boards of MSBs should pursue a digital culture and adopt technology-based productivity drivers (including digital substitution, automation and transformation, and better use of data, AI and machine learning) to ensure that they are getting the full value of the technology available to them and their competition.
- ☑ Government and the public sector should do more, in regional areas and traditional industries, to shorten the long tail of MSBs that have not yet embraced digital culture or practices and strengthen their leadership capabilities in order to help them adapt and survive. Government-funded and provided business support programmes should be focused specifically on productivity and digital technology adoption.
- ☑ At the same time, government, the public sector, and venture capital and private equity firms should support and promote our advanced innovators to scale MSBs in new industries – focusing on managing the impact of growth and transitioning to large enterprises.
- ☑ Government (particularly local authorities) and industry bodies can do more to facilitate networking, meet-ups and niche summits among MSB entrepreneurs in new-economy sectors such as digital, data, machine learning and AI.
- ☑ MSBs should additionally have processes in place to ensure their service providers and partners have proactive approaches, targeted to their specific needs and the capacity and capability, to support them effectively.
- ☑ Equally, service providers and advisory firms should develop offerings and interventions that create demand from MSBs for technology and digital solutions while increasing their fluency, comprehension and internal capabilities.

## Finance

- ☑ The failure of MSBs to recognise the importance of finance could represent a significant brake on their potential for growth. There is a need therefore to increase demand for finance among suitable MSBs by demonstrating its value and the potential it can create.
- ☑ MSB boards must consequently look carefully at the finances and growth plans, and work with funders to ensure they are leveraging the value of financing for their firm.
- ☑ Acknowledging that MSBs have very different requirements and challenges with regards to financing in comparison to micro and small companies, the sector must better educate on its various forms and fit for MSBs and continue to improve navigation and access. Government, banks and other funding providers also need to look carefully at their advice, guidance and support for MSBs to help firms and their boards access appropriate and effective finances to support their growth.

## Workforce

- ☑ 'Growing your own' (looking for talent internally to retrain and retain) is seen as a first step for MSBs that want to address their skills shortage. These businesses need to look proactively at this and have clear workforce development strategies. MSBs also need to seriously examine how they can use the support available in the education, training and development sector, as well as apprenticeships, to aid their workforces' growth and development needs.
- ☑ MSBs can also consider more mature and advanced retention strategies with clear development pathways, and strong internal communication and culture-building.
- ☑ MSBs should consider adopting local employment charters, such as Manchester's Good Employment Charter or London's Good Work Standard, or developing their own to bring together and use best employment practices.

- ☑ SBs can use their size and defining characteristics to their advantage – they can attract employees by offering more opportunities to do meaningful work and contribute more directly to the success of the organisation. In addition, MSBs should consider better communications (using branding and marketing) with current and prospective employees to show what it is they have to offer and, for those in regional locations, the lifestyle benefits they pose to the city pool of talent.
- ☑ Industry, educational and public sector groups can adjust their services and programmes to be more responsive to MSBs, while MSBs can utilise their community role and profile to mobilise local schools, colleges, other training providers, universities and councils around education, skills and training needs, objectives and activity.
- ☑ MSBs should consider NED or advisory expertise in workforce development, and particularly in talent retraining, acquisition and retention.
- ☑ As MSBs grow and demand for talent increases, execution will be key – translating plans into reality will be crucial to avoid mid-market growth being choked by skill constraints.

## Growth

- ☑ MSBs are in danger of confusing caution and consolidation with inertia and inaction. A failure to continually innovate and/or consciously and proactively plan in the service of growth – be it addressing new markets, products, services, acquisition, delivery or retention – will adversely affect MSB performance and stability.
- ☑ It is recommended that MSB boards prioritise and clarify growth ambition and identify clear activities to achieve success tactically and strategically.
- ☑ The professional services sector and government should provide appropriate, highly targeted growth and innovation programmes, services and resources. This will help MSBs better define strategic objectives and develop the perspective and capabilities internally to identify growth levers and design and implement growth activity.

## Innovation

- ☑ There is clearly a need to heighten awareness of the understanding of and desire for genuine innovation and its value for all MSBs – not just those pursuing high-growth objectives who are already likely to be firm subscribers.
- ☑ Critical to this is defining innovation effectively for MSBs so that businesses can recognise their eligibility to access additional support and funding.
- ☑ Further research and plain-spoken and practical support for MSBs focusing on innovation will help demystify the concept and encourage more open approaches to innovation.
- ☑ The responsibility to act here is twofold. MSBs themselves, and particularly their boards, should prioritise innovation and develop an organisational perspective on it, its value to their organisation, and the methods to employ it. As part of this, MSBs need further awareness and clarity of innovation methods, tools, technology and techniques to embed and use in their businesses for both improvements and true innovation.
- ☑ Equally, service providers and advisory firms can – and should – make the case for and develop offerings and interventions that create demand from MSBs for innovation and furthers their internal capability. Partnering with academia and firms in their supply chain on this agenda is also likely to help MSBs develop more innovation.

## Leadership capability

- ☑ Key recommendations for MSBs to lift and maintain board capabilities can be summarised as:
  - ☑ Match board roles, skills and competencies to the trajectory of the business
  - ☑ Use professional and robust recruitment practices (including psychometric profiling) which prioritises experience, broader leadership quality and emotional intelligence
  - ☑ Learn about the value diversity can provide and ensure diverse representation on the board and in senior leadership positions (and acknowledge that there is enough talent to not sacrifice a skills or culture fit to do so)

- ☑ Establish programmes for regular individual professional development
- ☑ Make space for regular board group professional development
- ☑ Instill a culture of board evaluation, self-renewal and succession planning.

## Professional memberships

- ☑ Professional bodies must be exemplars of the expectations that directors have in relation to their own board's activities and composition – particularly around modern philosophies and practices, and diversity of age, ethnicity, perspective and gender.
- ☑ Membership organisations should consider providing support, resources, information and services that:
  - ☑ Specifically address MSB issues in a relevant way
  - ☑ Cover broader-based and more contemporary topics
  - ☑ Are credible and independent
  - ☑ Dispose of verbose, nebulous or theoretical solutions and focus on the practical, applied and usable
  - ☑ Are affordable and easy to access in the privacy of the home or online, and on demand.
- ☑ The most beneficial support that MSBs could receive from professional services and membership organisations would be to employ professional and contemporary practices to elevate, acquire and retain appropriately skilled and diverse talent – starting at the board and senior leadership level.

## Summary of Recommendations in Response to Findings from the 2019 Mid Size Business Leadership Study.

This summary of curated recommendations is not exhaustive but acts as a guide to improve MSB productivity and performance. We aim to build on these over time in the online, interactive version of the report at [www.msbleaders.com](http://www.msbleaders.com)

And to contribute recommendations please contact us here