

# Inside Leadership



## As one door shuts, another door slams open.

Paul Mooney of Tandem Consulting says recession can be a good time, in which to start your new business.



Over the years I have been involved in a couple of business adventures, some zany (e.g. Teddy Bear Manufacturing) some a bit more sensible, including business consulting. There are a couple of quick lessons that are worth noting. It might save you making the sort of mistakes that I've made. Here goes...

**Q1: Is a challenging economy a good place to start a business?**

Yes and no. Generally, it's not a good time when the economy is on the floor to be starting anything (unless your product or service specifically targets the cost reduction or value agenda). But...sometimes people are 'golden handcuffed' in jobs and would never take the risk of starting their own business without the shock of being

made redundant. Redundancy can be the catalyst, putting rocket fuel on that life plan, perhaps pushing you into self-employment for the first time.

In my own case, management consultancy sits across all stages of the economic cycle. During the boom, the key issues were business acquisition, talent retention and employee engagement. Now we are busy working on organisation change and productivity programmes. Like Funeral Directors, management consultants can be busy on the up and the down slopes.

**Q2 - What are the most common mistakes start-up businesses make?**

Statistically, most new companies fail

because of cash flow difficulties. But it depends on the type of business you are in (service businesses typically don't eat up the same amount of cash as manufacturing). In relation to starting up a service business, the two trip-wires that stand out for me are unclear focus and overly high early expectations.

**Clear Focus:** The best advice for someone starting up is to develop a brochure or a website detailing exactly what your business product or service does. The discipline of putting this together helps to solidify the concept in your own mind. You can then answer the question 'what are you selling' with confidence and brevity. If you are confused about your product or service

(what it is; how it adds value; how it is differentiated in the marketplace; why the customer should buy it now) it's pretty certain that potential clients will also be confused. And confusion is not a hot sales strategy, unless you are thinking about becoming a magician!

In the business arena, too many new consultants attempt to cover too much ground. It's understandable on one level. They are afraid that if the product or service offering is too 'narrow' that they may miss out on potential opportunities. The exact opposite is the case in my experience. If you portray yourself as being 'good at everything' – customers just don't believe it. Pick your target (either based on your competence, your love for an area or preferably both). And stick with that. Get really good at 1 or 2 things and build out. Don't compete with Tesco (10,000 items), at least not on day 1.

**Early Expectations:** The high early expectations idea is based on the fact that people want to become Willie Walsh (CEO of International Airlines Group) overnight. They sometimes don't realise the amount of 'sweat equity' that's required in becoming successful. When I worked with General Electric there was a story about Thomas Edison who founded the company. Edison, as you probably know, invented the light bulb (among numerous other product breakthroughs).

He developed a working prototype having tried and failed 100+ times to perfect the method. Perhaps 'tolerating failure' at this level is a bit rich for the normal person starting up a new venture. However, the central point remains. Don't expect to get it right from the off. If there is an easy way to become successful and you discover it, you should immediately write a best-selling book about it. While there is a huge market for easy fixes, I haven't seen too many that add value.

Setting your success expectations high but your income expectations low (for the first year at least) is probably the best recipe for mental health.

### *Q3 - Are Irish people natural entrepreneurs?*

The question is sometimes raised whether Irish people have any inherent advantages when it comes to business? The key ingredients in business success are confidence and hard work. For many years we lacked the confidence to make it happen ourselves and relied on multinational know-how and innovation to provide jobs. Many of us who 'served our apprenticeship' in the multinational sector (in Ireland and overseas) developed the confidence to put the lessons learned to work within our own organisations. My experience internationally has been that Irish people have great (better than average) 'connect skills' with customers. If you have it, flaunt it.

There is a service ethos in the Irish culture which is hugely beneficial. The counter argument is that we have to swim against the cultural tide of 'it will be ok on the night' – and deliver against agreed deadlines to exacting quality standards.

### *Q4 - What is the single best piece of business advice?*

In some other cultures (particularly in south-east Asia), there is a stronger work ethic that we can learn from. I know it's an old one, but I still like the line: 'The only place that success comes before work is in the dictionary'. Go home tired!

### *Q5 - What sectors of the economy offer the best prospects for growth over the coming years?*

At home, it's anything goes. What 'problems' do people have that you could help resolve? (Example: Come up with the cure for unruly teenagers and you will have a real hit on your hands!). Internationally, we are moving more and more into traded services – everything from software development to aircraft leasing becoming the mainstay of the economy. The 'stuffing boxes' jobs are kaput – having migrated to Eastern Europe and Asia, low cost locations where 'Ireland Inc' simply cannot compete. The passport into this new game, for most, is a solid 3rd level education. A by-product is that this helps with the personal confidence issue outlined above, so you get a 2-for-1 deal.

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