

BIS | Department for Business
Innovation & Skills

**MENTORING POLICY – THE
ACTION PLAN**

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Mentoring Policy – The action plan

Business people tell us they prefer to receive advice and support from other experienced business people. This is why the government is working with the private sector to improve access to and stimulate the demand for mentoring.

Mentoring a Definition

There are many definitions of business mentoring, but a straightforward one is “an experienced person acting as a sounding board and critical friend to help someone develop their abilities or run a business” (SFEDI 2011).

Mentoring, coaching and business advice can be complementary elements in a programme of business support, but there are key differences. While a mentor may help a person decide on the path they want to travel, a coach can help them master the skills required to reach their destination.

A mentor will listen, share their own experiences and give honest, constructive feedback and support, whereas business advice is normally provided by a qualified business adviser who directs, steers and sometimes instructs a client on a particular course of action.

Why Using a Mentor is Important

New and existing SMEs help drive economic growth by raising competition, stimulating innovation¹ and those that grow make a disproportionate contribution to job creation².

Use of external information, advice and guidance, for example support through a mentor, can have a major impact on improving business skills and through this improve business outcomes.

Mentoring amongst entrepreneurs and business owners meets a common preference for learning to be informal, from peers and tailored to the needs of their business.³ Research and evaluation have shown that mentoring can have significant impacts including:

- Positive improvements in soft skills such as business confidence and aspiration which can lead to improved business performance, including increased sales, employees, turnover and profit.
- Professional development of both mentor and mentee, enhancing leadership abilities and management skills of both parties.

However, research also shows that even though over nine out of ten business people who have used a mentor have seen a benefit⁴, use of a mentor is low with only seven per cent

1 Scarpetta et al, 2002. OECD working paper no 329. The role of policy and institutions for productivity and firm dynamics evidence from micro and industry data

2 SMEs have been found to generate the majority of new job creation, for a recent assessment see Wright et al (2010) “Job Creation, Job Destruction and the Role of Small Firms”

3 SQW Consulting (2009) “A review of mentoring literature and best practice”

of all small and medium-sized businesses (about 315,000) using a mentor in the last 12 months.⁵

The UK mentoring market is diverse and fragmented, with a prevalence of informal mentoring through personal networks. This can make it difficult for people to find a mentor to suit their needs, lead to a lack of understanding about the quality of mentoring provision and uncertainty about the value of mentoring support.

Developing access to and raising awareness of mentoring is therefore a core component of the government's ambition of making the UK one of the best places to start, finance and grow a business. It is an important element in number of government initiatives such as Growth Accelerator, Start Up Loans and New Enterprise Allowance.

Equally, it is an important aspect of the government's social agenda, offering opportunities for businesses to help each other by sharing experience and expertise and for large business to support small businesses or less experienced business owners for the benefit of their sector, supply chain or local business community.

Government's Vision for Mentoring

The government's vision for mentoring is for a vibrant, effective and sustainable mentoring network that supports both start up and established small and medium enterprises locally, helping them to survive and grow.

To achieve this vision, the government has three ambitions:

1. **Better co-ordination of supply to enable businesses to find the right mentor for their needs**
2. **Increasing supply by recruiting and mobilising volunteer business mentors**
3. **Increasing demand through raising awareness of the benefits of mentoring amongst the small and medium-sized business community**

Progress to Date

Better Co-ordination of Supply

Government is working with the British Banker's Association (BBA) to develop and promote a visible mentoring network available across the UK. Through the BBA's Business Finance Taskforce and the creation under that of an online portal, mentorsme.co.uk, we are seeking to address fragmentation in the mentoring market. [Mentorsme.co.uk](http://mentorsme.co.uk) currently lists over 110 mentoring organisations located across the country and supports the government initiatives with mentoring components mentioned above.

⁴ BIS analysis of Barometer survey of SME employers

⁵ Small Business Survey 2010

Increasing Supply

Government has also invested £1.9m in the 'Get Mentoring' initiative which is being delivered by the Small Firms Enterprise Development Initiative (SFEDI). Through this project, SFEDI is working with over 140 trade and business representative bodies to recruit and train business people from the micro, small and medium-sized business community to become volunteer business mentors and help the next generation of business owners.

We are encouraging corporates to develop volunteer business mentoring programmes as part of their CSR, HR or supply chain management strategies. Through the BBA and the Taskforce, the banks have recruited and trained 1,000 volunteer business mentors who are now deployed in mentoring organisations on mentorsme.co.uk

Stimulating Demand

We are collaborating with the mentoring stakeholders and business trade bodies to communicate the benefits of mentoring and reinforce messages through their channels, networks and activities. Equally, mentoring is a core component of the **Business in You campaign** and is promoted through the campaign's advertising and promotional activity.

Further Action

There is still more to do and the evidence base suggests we need to further focus our efforts on three priority areas if we are to achieve our vision and ambition:

1. Develop the national mentoring network through mentorsme.co.uk and by working with mentoring organisations, ensuring it effectively co-ordinates both local and national supply
2. Boost the supply of quality mentors by encouraging and enabling new business-led mentoring programmes that fill gaps in provision
3. Realise the potential of the UK mentoring market by increasing use of a mentor through identifying and articulating the benefits.

To address these objectives we will:

- Work with mentoring organisations, sectors, LEPs, big business and other bodies to bring more volunteers forward, and promote the benefits of mentoring to increase demand
- Develop sustainable mentoring programmes and models (such as the model operated by the BBA for the volunteer bank mentors) that support growth,
- Ensure existing local or sectoral networks are visible and connected to the national network, through mentorsme.co.uk.

- Work with BBA to further develop the portal
- Identify and share knowledge on how to encourage SME business owners to seek a mentor
- Continue to drive up standards across the mentoring network via an open source online training offer

The Government's role is facilitate, enable and create the right environment by sharing best practice and evidence about what works and the benefits of mentoring, supporting measures to improve co-ordination, helping to raise awareness of mentoring and encouraging small businesses and others to support growth in their own and other small firms. The primary responsibility for raising business performance rests with the business itself.

This is why it is important that mentoring is a business-led initiative, not controlled or dictated by government. Our action plan recognises this.

Mentoring – Policy Challenges and Actions

Insight from Evidence Base	Policy Challenge	Key Actions underway or in the pipeline
The Mentoring Market		
<p>Most mentoring organisations have seen an increase in demand and are looking to increase their capacity, suggesting that intervention by government, BBA, and others is working:</p> <ul style="list-style-type: none"> • 90% of mentoring organisations believe the potential exists to grow the mentoring market • But there are mixed views on the balance of supply and demand 	<ul style="list-style-type: none"> • To facilitate cross-sector collaboration over issues relating to supply and demand in order to enable the growth of the network • New policy interventions (e.g. Start-up loans, Regional Growth Fund programmes and New Enterprise Allowance) may require a significant increase in the number of available mentors to meet the increased demand and other efforts to raise demand will have a similar impact 	2, 4, 5, 6, 7
<p>Mentoring is hard to quantify</p> <ul style="list-style-type: none"> • Over the year, mentoring organisations estimate that they will mentor between 50,000 – 100,000 SMEs. The Small Business Survey indicates that c300,000 SMEs are using a mentor. SME employers use a variety of types of business mentors (e.g. friend/peer; someone specialising in business mentoring, accountant) and much of this is very informal • It is difficult to assess the scale of the 	<ul style="list-style-type: none"> • To facilitate cross-sector collaboration on agreement over definitions of mentoring – what mentoring is and what it is not - compared to other forms of business support to reduce confusion from the customer's perspective and make differentiating what is mentoring and what is not very difficult. • There will always be a gap between the numbers of businesses who say they have a mentor and the number of mentors accounted for via the portal, due to the diversity of mentoring provision and the 	1, 4, 5, 10,11

Insight from Evidence Base	Policy Challenge	Key Actions underway or in the pipeline
<p>market, but we estimate that the formal mentoring market contains around 400 organisations (albeit many are small and not scalable, or may not meet the quality standards to be listed on mentorsme) and, through them c21,000 mentors. The Get Mentoring project will bring a further 15,000 volunteers forward, creating a total of c36,000 mentors.</p>	<p>prevalence of informal networks. The Government’s goal remains to work towards 40,000 accessible mentors.</p>	
<p>Mentoring provision is diverse and fragmented with:</p> <ul style="list-style-type: none"> • a prevalence of small mentoring organisations and informal mentoring through personal networks • most formal mentors are employed by a few key organisations and • mentors tend to operate through more than one organisation • mentoring organisations are located across all areas of the country and face to face provision is embedded at the local level. Most mentoring organisations are involved with other local networks (eg, Chambers of Commerce etc), but some localities are better served than others 	<ul style="list-style-type: none"> • To enable the sector to grow and develop its capacity • To work with intermediaries, mentoring organisations and others to reduce variable standards in mentoring provision which exist as a result of the diversity of provision and prevalence of information mentoring. • To ensure formal provision and/or local networks are visible and accessible as part of the totality of mentoring provision , including when providers do not meet the assessment criteria for inclusion on mentorsme.co.uk, 	<p>1,2,3,4,6, 10</p>

Insight from Evidence Base	Policy Challenge	Key Actions underway or in the pipeline
<p>Few mentoring organisations target specific sectors and use of a mentor is not uniform across sectors, with those operating in the business or services sector more likely to use mentors than those involved in e.g. manufacturing or construction</p> <ul style="list-style-type: none"> • Most mentoring (69%) organisations identified gaps in provision as a barrier to the growth of the market. Discussions with organisations indicate that gaps exist in some sectors 	<ul style="list-style-type: none"> • To encourage more sectors to develop and implement mentoring programmes, which will support SME capacity and capability building, helping to strengthen the sector. • To understand further possible sectoral gaps in provision. These may be identified by mentoring organisations at matching stage. 	3, 7,
<p>Most mentoring organisations do not focus on specific types of entrepreneurs</p> <ul style="list-style-type: none"> • Just 16% of organisations explicitly target specific types of entrepreneurs. Of those that do, female owners, social enterprises and BME owners were a key focus • Take up amongst SMEs led by women and ethnic groups is higher than for all SME employers 	<ul style="list-style-type: none"> • No evidence of a greater problem with take up in these groups than in the business population as a whole 	3, 12, 13, 16
<p>Mentoring is not the main activity for most providers</p> <ul style="list-style-type: none"> • Few, if any, organisations that market themselves as mentoring providers do 	<ul style="list-style-type: none"> • To facilitate cross-sector collaboration on agreement over definitions of mentoring – what it is and what it is not - compared to other forms of business support to reduce confusion from the customer’s perspective. 	4, 8 , 12, 14, 15

Insight from Evidence Base	Policy Challenge	Key Actions underway or in the pipeline
<p>so exclusively. Mentoring is provided alongside other services such as coaching and wider business advice and most often only represents a minority of their overall activity</p>	<ul style="list-style-type: none"> • To encourage greater take up of all forms of business support which in general is sub optimal • To raise awareness of the benefits of using external advice in general, promoting mentoring, and explaining unique features and benefits within the context of wider business support offers 	
<p>Only a quarter of mentoring organisations require mentors to hold a qualification or accreditation.</p> <ul style="list-style-type: none"> • Larger organisations and those where mentoring is over half of the business are more likely to require qualifications or accreditation • Suggests that mentoring organisations value experience over qualifications • Anecdotal evidence from conversations with mentoring organisations suggest that requirement for qualifications or completion of training can create added bureaucracy that risks putting many experienced business people off becoming a volunteer mentor • Market failures research identified lack of information on standards as a barrier to use of mentor. 	<ul style="list-style-type: none"> • To promote the quality and expertise of mentors available through mentorsme.co.uk, working with mentoring organisations and stakeholders and ensure training and development of mentors is based on national occupational standards leading to consistent levels across the formal mentoring community 	<p>4, 5,6, 14</p>

Insight from Evidence Base	Policy Challenge	Key Actions underway or in the pipeline
Access to Mentors		
<p>Difficulties in finding a suitable mentor could account for between one third and two thirds of SMEs who had considered using a mentor not doing so</p>	<ul style="list-style-type: none"> • To understand more about possible gaps in provision that hinder SMEs from finding a mentor to suit their needs • To raise awareness of the role and benefits of a mentor without increasing confusion 	<p>1, 2, 4, 7, 14</p>
<p>Only 270,000 (23%) of SME employers are aware of mentorsme.co.uk and even fewer have visited the site</p>	<ul style="list-style-type: none"> • To mobilise and maintain on-going enthusiasm from intermediaries – including at the local level – to carry messages through their channels and networks, to assist in reaching SMEs which is difficult. 	<p>4, 8, 14</p>
<p>Not all mentoring organisations are listed on mentorsme.co.uk.</p> <ul style="list-style-type: none"> • Not all mentoring provision will meet the minimum standards for mentoring organisations to be listed on mentorsme, which have been set to give assurance on quality to SMEs seeking a mentor • Verbatim responses to the survey suggest some reluctance to get involved with a Government or bank-backed initiative. Equally, some considered the site to be not relevant because they perceived it to be only 	<ul style="list-style-type: none"> • To clarify the role and scope of mentorsme.co.uk and build its profile to overcome barriers to registration • To ensure mentoring organisations understand their role in raising the profile of mentorsme.co.uk • To work with the BBA on how we encourage mentoring providers to meet the mentorsme.co.uk standards, which have created a benchmark, ensuring quality of provision. 	<p>1, 2, 9</p>

Insight from Evidence Base	Policy Challenge	Key Actions underway or in the pipeline
for free mentoring services <ul style="list-style-type: none"> Feedback from mentoring organisations suggests that functionality and profile of mentorsme.co.uk needs to be improved 		
Use of a Mentor		
60% of SME employers using a mentor do not use a specialist business mentor	<ul style="list-style-type: none"> To encourage intermediaries to play a more recognisable mentoring role and help to raise awareness and standards in these groups 	6, 10, 11
Over 72% of SME employers are not using a mentor or acting as a mentor and have not considered doing either.	<ul style="list-style-type: none"> To develop compelling messages that influence behaviour and surmount reluctance to use advice that appears to be embedded in business culture To better understand the relevance of being a mentor or being mentored to the 72% who are not involved in mentoring 	4, 7, 8, 12, 14
Use of mentoring varies across regions with those operating in London more likely to use mentors than those in the North East. However, there is no evidence of lack of supply.	<ul style="list-style-type: none"> To ensure mentoring is viewed as a key component of local business support services by local influencers and stakeholders and delivery agents in those areas where use is low as a proportion of business population To ensure benefits of using a mentor are clearly articulated and promoted regularly and consistently across a range of channels, including targeting regional media 	2, 3, 8, 12, 14

Insight from Evidence Base	Policy Challenge	Key Actions underway or in the pipeline
<p>Growing enterprises are more likely to use a mentor, as are those in service sectors</p>	<ul style="list-style-type: none"> • To include softer skills building within other types of interventions (e.g. access to finance schemes), recognising that mentoring can have an impact on business performance and growth. • To build evidence on cost/benefits of sector schemes to construct a business case that makes it more likely that sectors will proactively develop and run schemes without pump-priming 	

Actions underway or in the pipeline

Action Number	Description
1	Mentoring organisations listed on mentorsme.co.uk are assessed to ensure they have robust systems in place for recruiting, training and developing mentors. Work with SFEDI and the BBA to ensure that as much appropriate mentoring provision as possible is connected to mentorsme.co.uk. The portal continues to expand from 40 organisations at launch to 110 organisations in September 2012
2	Work with LEPs and others to both grow provision and ensure, where possible, that new or existing provision is either connected to the national network or visible as part of the totality of national provision
3	Continue to measure awareness of the national network via mentorsme.co.uk, the benefits and use of a mentor and self-reported access to mentors; Use Small Business Survey, research and data from delivery partners and others to explore in more depth differences in awareness and use by natural economic areas and sector

Action Number	Description
4	<p>Facilitate greater co-operation between mentoring providers through workshops and a programme of sector-led Task & Finish groups considering the following topics:</p> <ul style="list-style-type: none"> • Best practice, sector infrastructure and standards • Raising demand for mentoring, including articulating the benefits of using a mentor that can be used consistently to describe mentoring provision • Developing and promoting mentorsme.co.uk
5	<p>'Get Mentoring' is boosting supply, helping to raise standards (especially at entry level) by delivering 15,000 volunteer mentors trained to a consistent level based on national occupational standards</p>
6	<p>Encourage other initiatives and mentoring organisations to recruit volunteer mentors from Get Mentoring cohort and to use SFEDI learning resources which are open sourced and to national standards</p>
7	<p>Challenge sectors to develop proposals for sustainable mentoring programmes that are connected to the national network. Encourage more LEPs and corporates to develop and support volunteer business mentoring schemes to also increase supply and stimulate demand.</p>
8	<p>Amplify national messages about the benefits of mentoring and that promote mentorsme.co.uk, communicated through Business in You campaign and other activity, at local level by working with the BBA, business rep bodies, mentoring stakeholders and the mentoring community</p>
9	<p>Work with the BBA and mentoring organisations to develop mentorsme.co.uk so that it better serves the sector, including:</p> <ul style="list-style-type: none"> • Clarifying the role and scope of the portal • Encouraging more mentoring organisations to apply to be listed on it • Developing user experience and functionality
10	<p>Work with intermediaries to raise awareness of their mentoring role, including the importance of adopting standards and the opportunity to make use of learning resources from the Get Mentoring</p>

Action Number	Description
	project
11	Explore with e.g. ICAEW, ACCA etc (who oversee the continuous professional development (CPD) system for accountants), that becoming a business mentor and the associated training contributes towards their CPD requirement
12	Work with Cabinet Office behavioural insights team to test a range of factors that are more likely to successfully influence behaviour and drive action on signing up to Get Mentoring and/or using a mentor. Apply findings to future communications activity
13	Undertake further analysis of survey data to segment the 72% of SMEs are not involved in mentoring into groups based on their likelihood of using a mentor/being a mentor
14	Develop a bank of case studies and use them to illustrate the benefits and impact of mentoring, providing content for testimonials, blogs, quotes, features etc. Segment by locality, sector, impact etc
15	Explore making use of a mentor a condition for government support through finance schemes
16	Continue to monitor involvement in mentoring by women and BME groups, including through evaluation the Get Mentoring project and BBA activity to further promote mentoring targeted at these groups

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