

Closing the 'mentoring gap' could bring multi-million pound boost to UK economy

Sage launches campaign to encourage business mentoring

London, United Kingdom, 6th June, 2014 – Closing the 'mentoring gap' could help the UK's 4.9 million small businesses* double their chances of increasing turnover, generating millions of pounds for the UK economy, according to Sage, a leading software provider to small and medium sized businesses. Sage also announced that it is launching Business Navigators, a campaign to encourage small businesses to make use of business mentors and increase their chances of success.

According to research from Sage, there is a significant gap between those businesses who see the value in mentoring and those who currently use mentors. Sage surveyed over 11,000 small and medium sized businesses in 17 countries and found 89% of small and medium sized businesses in the UK acknowledge that mentoring can help them to succeed. However, less than a quarter (22%) are currently making use of business mentors.

Mentoring can have a significant impact over business success. According to the Department for Business Innovation and Skills nine out of ten businesses who had worked with a mentor said it had a positive impact on their business. It also found that nearly twice as many mentored businesses reported an increase in turnover (44%), than non-mentored counterparts (23%). Similarly twice as many mentored businesses had hired more staff (10%), than non-mentored businesses (5%).

Sage Group CMO, Amanda Jobbins, said: "Businesses that do not have access to, or choose not to make use of business mentoring are at a disadvantage. In our information rich age it can be difficult to know if you are doing the right thing. Mentors can play a big role in helping young businesses to navigate the sea of advice on offer."

According to a survey of Sage customers, the top three challenges facing businesses were controlling their costs (32%), effectively marketing themselves (31%) and having a broad enough customer base (27%).

Sage's Business Index research found that business leaders would be most likely to turn to personal contacts for business advice, rather than experienced business specialists. More than a quarter (27%) of business decision-makers would be most likely to go to people they know personally for business advice and mentoring. Just 4% would go to 'select business mentors' as their first option for business advice.

Brendan Flattery, CEO of Sage UK and Ireland, said: "Research has found that 70% of small businesses that receive mentoring survive for five years or more, which is double the rate compared with non-mentored entrepreneurs. Small and medium businesses account for

99.9 per cent of all private sector businesses in the UK and providing them with the tools and confidence to succeed can have a huge impact on the UK economy.

“We need to educate today’s startups and small businesses about the benefits of mentoring.”

Sage is launching Business Navigators to bring together some of the finest minds in business mentoring to help educate small businesses about the importance of mentoring and how to establish a beneficial mentoring relationship.

“There is a wide gap between those businesses who see the value of business mentoring and those who actually make use of it,” said Amanda Jobbins. “We need to educate startups and small businesses about the benefits of mentoring and where to find them. According to a survey of our customers, nearly a quarter of UK businesses (23%) highlighted a shortage of information on mentoring as a barrier to its widespread adoption. While 22% said that a lack of proof that mentoring can help businesses to grow hindered its uptake.”

Brendan Flattery added: “Small and medium sized businesses are the engine room of the global economy and so we should all be doing what we can to ensure their success. Business Navigators will bring together leading business and mentoring figures to work out why this gap exists, what we can do to overcome it and how mentors and mentees can get the most of their relationship.”

Sage’s Business Navigators will discuss the role of mentoring at an exclusive event in London on Wednesday 4 June 2014. Participants include:

- Amanda Jobbins, Sage Group CMO
- Brendan Flattery, CEO Sage UK & Ireland
- Michael Mercieca, CEO, Young Enterprise
- Kerrie Dorman, founder, Association of Business Mentors
- Matthew Stafford, Co-founder, Student Upstarts
- John Webb, Marketing Director – Startups, Developers & Investors, Rackspace
- Alex Depledge, co-founder, Hassle
- David Hardstaff, Growth Coach, GrowthAccelerator; Director, DKNS Associates Limited

Kerrie Dorman, founder of the Association of Business Mentors, said: “Great mentors have first-hand experience, good interpersonal skills and the commitment to apply their knowledge to the problem at hand. Great mentors can make businesses go from good to great.”

Summary of key statistics

Sage Business Index

- *89% of small and medium sized businesses in the UK acknowledge that mentoring can help them to succeed (compared to 93% globally)*
- *Less than a quarter (22%) of UK small and medium sized businesses are currently making use of business mentors (compared to 28% globally)*
- *27% of business decision-makers would be most likely to go to people they know personally for business advice and mentoring (compared to 27% globally)*
- *Just 4% would go to 'select business mentors' as their first option for business advice (compared to 9% globally)*

Sage UK Omnibus April 2014

- *Nearly a third of UK business admit they have found it challenging controlling their business costs (32%) and effectively marketing themselves (31%), while over a quarter say they struggle with having a broad enough customer base (27%)*
- *Nearly a quarter of UK businesses (23%) highlighted a shortage of information on mentoring as a barrier to its widespread adoption*
- *While 22% said that a lack of proof that mentoring can help businesses to grow hindered its uptake*

Federation of Small Businesses

- *70% of small businesses that receive mentoring survive for five years or more, which is double the rate compared with non-mentored entrepreneurs*
- *Small businesses account for 99.9 per cent of all private sector businesses in the UK*

Department of Business Innovation and Skills

- *In 2012 nearly twice as many mentored business reported an increase in turnover (44%), than non-mentored counterparts (23%)*
- *In 2012 twice as many mentored businesses had hired more staff (10%), than non-mentored businesses (5%)*

**According to the Federation of Small Business statistics as of 2013.*

About Sage

We provide small and medium sized organisations with a range of easy-to-use, secure and efficient business management software and services - from accounting and payroll, to enterprise resource planning, customer relationship management and payments. Our customers receive continuous advice and support through our global network of local experts to help them solve their business problems, giving them the confidence to achieve their business ambitions. Formed in 1981, Sage was floated on the London Stock Exchange in 1989 and entered the FTSE 100 in 1999. Sage has over 6 million customers and more than 12,700 employees in 24 countries covering the UK & Ireland,

mainland Europe, North America, South Africa, Australia, Asia and Brazil. For further information please visit www.sage.com