

Take your business to the summit

by Dimeon van Rooyen

When a business fails to achieve its potential, it is hardly ever the fault of the business idea. Entrepreneurs are experts at identifying a gap in the market and providing the product to feed that need, but many small businesses are found wanting in the effective implementation of governance and management.

Three years ago, New Zealander Carl Bates identified this need in the small business sector and founded his company Sirdar to address it and enable businesses to exploit their excellent ideas to their maximum potential.

“Sirdar is the name given to the lead Sherpa on mountain expeditions,” explains Bates. “Where others see a path filled with difficulties, the Sirdar sees a path of opportunities. He chooses the team, decides the route and knows when to go for the summit. At Sirdar we take businesses on an astute business expedition so that they can climb to new heights.”

Bates realised that with small businesses, the division of the roles into shareholder, director and manager is unclear. Business owners often try to wear all three hats, without fully understanding the difference between them. Without this understanding, and the subsequent shareholding it allows, small businesses tend to hit a glass ceiling in terms of expansion.

Businesses usually only start to succeed when these differences are defined and understood within the company. Sadly, this is often the only difference between a struggling small business and an internationally successful company. Bates started to hatch the Sirdar idea whilst observing his father’s plumbing business.

“My dad has been in business for 30 years. In that time I’ve seen him growing the business to 40 staff, really growing as a craftsman, but struggling

on the business side. Being the best craftsman does not automatically make you the best businessman.

“We work with businesses and help them to get traction by putting in place their board of directors, getting involved in the management, guaranteeing the returns and providing them with the education and understanding of what it means to be an effective business owner.”

Although getting a business off the ground is a daunting task, expansion



Carl Bates – Sirdar Global Chairman (left) and Brian Barense – Sirdar South Africa Chief Executive



is fraught with even more difficulties. Bates notes that statistically, the most profitable businesses per employee are those that employ less than five staff members.

While most businessmen are able to manage a small group of people, the business runs a serious risk of failure if skilled management is lacking.

“There are a lot of business mentors, coaches, consultants and advisers, and they play an important role in the business community,” says Bates. “However, they have no overall authority. The directors we place have authority over the day-to-day decision-making in the business, are accountable to the shareholders and are legally liable for the results of the business.

“Most consultants focus on fixing problems. Sirdar identifies growth opportunities and then supports the business to realise that growth potential.”

Sirdar employs a governance team with different directors sitting on the boards of different clients, depending on the required hard skills set, soft skills set, understanding of the industry, as well as strategic and directional decision-making.

The company has grown from a start-up business to revenue of R57 million in just three years

In addition to the governance level, in some businesses, the Sirdar team also gets involved at a management level, be it as a CEO, MD or GM, depending on the level of involvement required by the business.

“Of course, there are many business owners who do not want anyone else sitting on their board,” says Bates. “Fundamentally, that comes from a place of ego. Generally, people will not invest in your business if you do not have a board of directors, which is accountable and responsible to the shareholders.

“When the business owner buys into the idea, the game changes and it becomes easy for us to form a partnership to grow and develop their enterprise.

“Even if a business chooses not to use Sirdar, one piece of advice I can give to any business owner is

that the sooner they put in place formal governance with directors who are involved in the business on a day to day basis, attend the monthly meetings and are legally liable for their role, the sooner they can reap rewards. The longer you resist that, the longer and harder the journey will be for you.”

This close involvement with the business requires absolute trust, which is why Sirdar guarantees results when getting involved with a business. If these results are not achieved, Sirdar returns all payments made by the business. Sirdar’s involvement on a company’s board lasts as long as it takes to achieve the guaranteed results. Often, businesses request continued involvement or identify new goals.

The response to Sirdar’s offering has been overwhelming, and the company has grown from a start-up business to revenue of R57 million in just three years. Since then, it has branched out to South Africa, Australia and the UK. This success clearly shows the need for good governance systems in the small business sector and with between 94% and 95% of businesses globally employing less than 19 staff members, the market for this service is massive.

The South African team, headed up by Brian Barenche, has been involved with 100 businesses since launching nine months ago.

“We are excited about the opportunity to bring knowledge that has been used around the world to businesses in such an exciting economy,” says Bates. “The opportunities here are massive and it is an exciting time for people willing to support small businesses, given where the economy is headed in the next 10 to 20 years.” **S**

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