

Managing Director

It's About Leadership

Every organisation needs someone to lead it; to show the way forward, to encourage its members and to motivate them into greater effort. This is your task as Managing Director and by definition it is the most important and difficult task in any company.

YOUR RESPONSIBILITIES INCLUDE:

- ? Setting Company objectives and ensuring a sound business plan is made;
- ? Making sure this plan is achieved;
- ? Developing good teamwork;
- ? Motivating the team;
- ? Making sure tasks are delegated so that everyone has a job;
- ? Communicating to everyone so that they know what they are doing;
- ? Doing everything in your power to ensure the Company retains delighted customers. This will include playing an active part in reviewing Company progress and the part each Company member plays in achieving customer delight;
- ? Representing your Company where required;
- ? Setting permissions on the Company Programme website

In a Young Enterprise Company you will normally assume another role: that of chairing the Board of Directors. This is fairly normal in small companies but you should be aware that it is not regarded as good practice in large or medium sized companies.

Seek advice - particularly from Advisers but also from any other appropriate source.

How do you relate to other members of your company?

It is important to distinguish between "leading" and "bossing" - they are quite different! As a leader you set a good example by being punctual, planning in advance, keeping cool in difficulties, listening to other people's comments.

In a meeting of directors (and all students are directors) all directors are equal. Each should have a say in reaching policy decisions. You have to abide by the majority decision just like everyone else. Once that decision has been reached, however, then it is your job to ensure that it is carried out. Outside the Boardroom the team must take their directions from you.

Normally, you will deal with your management team of "Function Directors". You would not normally tell someone on production what to do. This would be done by the Operations Director.

You will have to work very closely with the Finance Director, especially in the early stages, when you will be putting together your Business Plan. This will include important financial information. The three Managing Director forms, accessible through [Managing Director Resources](#) will help you with this. Ask your Advisers to work through them with you.

Planning

This relates to Stage 2 of the company cycle, [Planning](#).

Coordination and Motivation

When you first set up your Company, all the members, with guidance from your advisers, will work together to draw up the following:

- ? A Mission Statement: clearly stating the main aims and purpose of the Company;
- ? A set of Objectives: a clear set of goals with agreed measurements to achieve the mission statement.

Get your company moving

- ? It is up to you, by your leadership to get your Company moving!
- ? Many Young Enterprise Companies run out of time, because they did not come to decisions quickly enough.
- ? Conduct of meetings is up to you and the sooner they become businesslike the better. You are in the chair - it's your responsibility!

- ? Prepare a timetable for the year ahead. Refer to the [Outline of the Year](#) and [Key Dates](#) to help you.

The business plan

Prepare your plan together with your Functional Directors. It should be as brief as possible while still covering the essential points. These include:

- ? Company Detail - Name, Share Capital, Function Directors.
- ? Product/Service - Description and how it is to be made/provided.
- ? Marketing Strategy - Where and to whom you will be selling.
- ? Market Research, Competition, Promotion.
- ? Forecast Sales - Estimate of likely sales and value.
- ? Staffing - Number of Students, pay and rewards.
- ? Finance - Product costings and break-even forecast (Form MD3)
- ? Capitalisation

- ? Profit estimate (Form MD1)
- ? Cash Flow (Form MD2)

Forms are found in the [Managing Director Resources](#).

This plan must be presented to and agreed by the Board (all students). It may also be used outside the Company, e.g. for a Bank Loan, convincing potential shareholders. Most high street banks can provide excellent business planning guidelines.

Timetable

It is important that you plan ahead. Refer to the [Outline of the Year](#) and [Key Dates](#) to help you.

Check out dates for: Trade Fairs, Training Sessions, Presentation Events, The Examination, Conferences, National dates.

Carefully consider your manufacturing and sales schedule.

Up and Running

This relates to Stage 3 of the company cycle, [Up and Running](#).

Overall responsibility

You are the main person who will represent your Company when dealing with:

- ? outside organisations
- ? the media
- ? other companies
- ? the general public etc.

You are the figurehead. You are also the person who, in the final analysis, is held responsible for the Company's activities. Your responsibility is threefold, to the:

- ? shareholders, for their investment in the Company;
- ? employees, for their working conditions, job prospects and job satisfaction;
- ? customers, suppliers, advisers etc, for the way the Company's activities may affect them.

It is also your duty to ensure that:

- ? your team co-ordinates its activities;
- ? the different departments co-operate with each other to fulfil the objectives of the business plan;
- ? everyone recognises that all tasks are interrelated and interdependent.
- ? No one section of the Company is more important than another. Everyone must work together as a team to ensure we have and retain "delighted customers";
- ? the Company money is managed responsibly and allocated effectively.

Running meetings

You are responsible for ensuring:

- ? that an agenda has been prepared;
- ? that people stick to the subject under discussion;
- ? that all members wishing to speak obtain your permission first;
- ? that you allow everyone a say in turn;
- ? that members do not hold their own conversations but remain quiet until you signal that they may address the meeting;
- ? that a clear decision is made on each subject and that it is recorded. (This is very important even if the decision is one of postponement!);
- ? that points for action and the people responsible are recorded and highlighted;
- ? that personalities are not allowed to intrude and verbal abuse is stopped.

The contents of meetings

- ? Apologies given for absence.
- ? Minutes read, if not previously circulated. Ask if they are a true record, and if so sign them.
- ? Go over the action points from the last meeting and consider any other outstanding matters not on the current agenda.
- ? Go through the items on the agenda, with reports from Function Directors discussed and decisions taken. Check that all understand the decisions taken and who is responsible for action.
- ? Deal with any other relevant business members wish to raise.
- ? Agree the time, date and place of the next meeting.

Monitor progress and give help

- ? You need to have a general understanding of the roles of all Function Directors.
- ? Liaise regularly with each Functional Director.
- ? Avoid doing their work for them or interfering.
- ? Monitor targets regularly and take corrective action when necessary.

See forms MD1 and MD2, available through the [Managing Director Resources](#).