



Dona Storey

Would a Mentor Protégé Relationship Benefit Your Firm?

By Dona Storey

Small companies are always looking for ways to grow their business. For centuries individuals have mentored other individuals. Foreign corporations like the Japanese use this method of leadership and management development in their successful corporations. In the last 20 years the federal government has adopted this method to help grow small firms. In most cases a mentor is a very large corporation and the protégé is a small business. In order for such a relationship to be the most beneficial the small company should have been in business for at least 3-5 years. It usually takes that long for a firm to establish themselves and learn what their core competencies really are. In many cases a small successful company can be the more effective mentor in the initial growth phase of another smaller firm. Oftentimes the owner to owner relationship is more valued at this point in time since growth can be challenging. Many large FORTUNE 100 firms are so far beyond that first growth stage that no one is available to pass on the lessons learned from the 'oh yes, I remember when that happened to me' scenario. I hope to pass on those things that I learned as a protégé and now utilize as a mentor.

What are the benefits of a MP relationship? What should I expect from a good MP relationship?

You should develop a plan of action

When the mentor and protégé first sit down to start their program they should develop what is called a Plan of Action and Milestones (POA&M). This is the critical road map to where this relationship should go. It is developed with input from both parties: from the protégé, this is where I want to be; and, from the mentor, here is what I can provide to can help grow your firm. The POA&M is based on the goals and objectives of both parties and details an exacting plan to accomplish those goals with measureable milestones along the way. This plan must have flexibility in the case things are not working out for either party. It is for this reason I firmly believe you must get to know each other and work together for a while to see if a fit is in the cards.

The Mentor as Business Coach

The mentor company becomes the small business coach for the protégé. It is incumbent on the mentor to first assess the knowledge level of the protégé and then develop a learning plan that will enhance the protégé's business performance. The small business' leadership should have a strong vision for their future before entering into the MP relationship to avoid being the puppet of the mentor's vision for the large company. As a protégé you must always keep your focus and perspective on those tools that are right for your firm. The best and most valued protégé is not necessarily the one who is the 'yes person'.

The technical assistance from your mentor could include the areas of contract management, financial management, proposal management, strategic planning, business development, and the necessary business processes to be a successful business.

Have a Go To Market Strategy

Once the mentor is comfortable with both the knowledge level and professionalism of the protégé it should be "show time." That is, the mentor should be willing to introduce the protégé to current and potential clients as their protégé and business team member. If the mentor is doing its due diligence in tracking the protégé's progress, through use of goals and metrics, then the mentor will know when the protégé is ready for "prime time" exposure to business opportunities. Now is the time for joint marketing and business development.

This can start quietly by the mentor simply including the protégé as a team member on bids and/or proposals. It can also be done very proactively by the mentor "lending" some business development assets to the protégé to take them through the right doors and walk them through some experiential reinforcement of what they should have learned in the developmental phase. This is the best situation as it both helps the protégé and allows the mentor to evaluate and provide lessons learned to the protégé. The three key marketing questions to be asked as part of your evaluating potential mentors are: Will they expand my growth and knowledge? Will I be able to expand either my geographic

reach and/or contract size? Will I benefit from increased business development coverage from this relationship or agreement? If you can answer yes to all of these questions then you are well on your way to a good start in entering a successful mentor-protégé agreement from a business strategy perspective. In the next section I define the glue that will hold the business strategy together.

Shared Vision, Shared Values

The ultimate goal of any mentor-protégé program should be to build a long-term relationship built on mutual trust, shared values, and synchronized business goals. One of the ways of accomplishing this under the program is technology transfer. This is where the mentor actually "transfers" a technology or capability to the protégé during the developmental or learning phase and then looks to the protégé to provide that technology or skill set back to the mentor as part of a teaming arrangement. When the mentor does this they are making a commitment to the protégé and the success of the program. This goes beyond just helping the protégé with business processes to establishing a long-term co-dependency; a true business team has been created.

The use of technology transfer creates a real strategic partnership between the mentor and the protégé. However, this is just one of many ways that a long-term relationship can be established. The mentor can make

the protégé their subcontractor of choice during and after the program and, in time, these roles could be reversed where the protégé is the prime and the mentor is the most favored subcontractor.

How do you choose a mentor?

Actually, you do not just choose a mentor... you develop a strategic relationship with a firm that has shown interest in you. Some firms go looking for a mentor like they are shopping for a piece of fruit...it's on my list so here's an apple...select it...and then wonder why it is not working out. A good mentor-protégé relationship is as close to a marriage as you can get in the business arena. It takes all of the qualities many people think of as being in a good marriage...trust, co-operation, shared values, common goals, respect and long-term planning. The fact that you will share proprietary information in strategic plans, product information, and costing for example makes it a relationship to take time in developing...dating so to speak.

A complimentary and, excuse me but a worn out phrase, symbiotic fit can also be key. Too often protégés look to companies that they want to become instead of growing a strategic alliance or partnership. If you are providing the same services or products why would the mentor want you to grow? To compete with them? To share their customer base so you can one day possibly take customers away from them? Probably not. A good relationship does

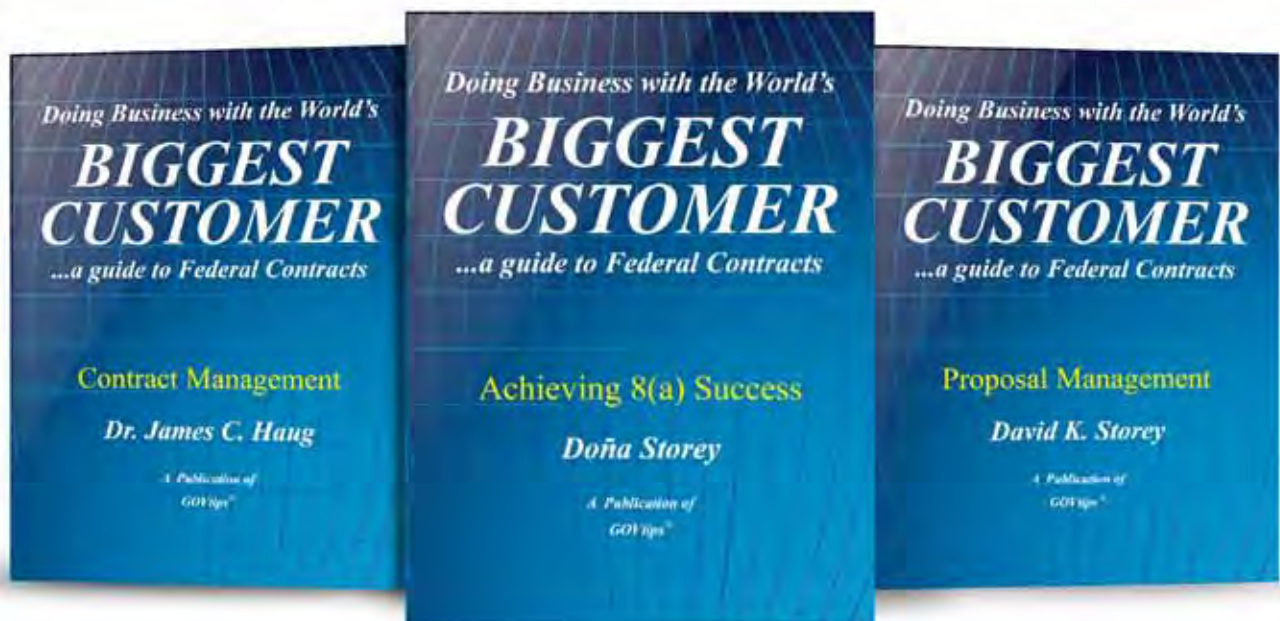
not always require the mentor to take the lead. Sometimes it requires they support the protégé in capturing work as the subcontractor. Growing a protégé partner that can always team with them...that can market together, that can share leads and win together with the same go to market strategy...now that's an alliance!

What are the pitfalls to be wary of?

The pitfalls can be evaluated in two very specific categories: business and legal. Keep in mind you could be sharing very sensitive or proprietary information in some cases. If the agreement or relationship does not go well what is the impact to your firm? Another pitfall to consider is getting too cozy too soon...speed dating if you will! How well do you know each other before you consider a formal agreement... the business marriage!

Not laying out an agreement that spells out realistic expectations or desired results can be a serious issue down the line for some firms. I think you can see how it could be very tempting to jump into something that is seen at the time to be too good to be true....take that as a clue....maybe it isn't.

On the legal front, I asked Terry Murphy, a partner with the Kaufman & Canoles law firm and federal contracting subject matter expert (http://www.kaufmanandcanoles.com/attorneys/terence_murphy.htm) for his thoughts on this issue. He advises



caution when entering into a mentor-protégé agreement. Move with the power of knowledge and don't be blinded by the dollars that may be at the end of the rainbow.

Terry explains "the potential pitfalls of SBA's Mentor Protégé Program for a graduated 8(a) concern to mentor a new 8(a) concern have increased as the result of the SBA's February 2011 amendments to the SBA regulations. In the past, mentor-protégé agreements were routinely approved by SBA. SBA now is providing increased scrutiny on proposed mentor-protégé agreements that some might say over-emphasize contracting between the mentor and protégé and do not focus sufficiently on other business development assistance to the protégé (management and/or technical assistance, loans and/or equity investments) in addition to joint venture projects and subcontracts with the mentor.

The new regulations require a «detailed description and timeline for delivery of the assistance the mentor commits to provide to the protégé's needs» (a «lessons learned»). If a mentor fails to provide the business development assistance promised in the mentor-protégé agreement, the mentor is subject to termination of the mentor-protégé agreement, being determined ineligible to act as a mentor for a period of two years, termination of work orders on other contracts which the mentor and protégé are performing as a small business joint venture and, the imposition of the ultimate death knell for government contractors, debarment."

Which Mentor-Protégé Program is right for me?

Each agency has its version of a Mentor-Protégé Program with its own features and benefits. It is your job to thoroughly understand the difference between the various programs and what they have to offer. Keep in mind the best mentor-protégé arrangements may be the ones that form and grow organically from a working relationship that later migrates into an agency program. I truly believe they have the best chance of longevity and success.

Dona Storey, President, GOVtips, LLC and creator of the Book Series "Doing Business with the World's Biggest Customer." For more information visit www.govtips.biz and www.qtsfacilities.com.

MEA

USA/International

Minority Enterprise Advocate

A National Business Magazine for Minority Entrepreneurs



Yes, Send me a subscription to MEA Magazine

- 1 year (6 issues) \$28.75
- 2 years (12 issues) \$52.50
- 3 years (18 issues) \$82.00
- Please Bill Me
- Credit Card Payment

Name _____

Company _____

Street _____

City _____

State _____ Zip _____ Country _____

E-mail address _____

Credit Card MasterCard Visa Discover

Card Number _____

Expiration Date _____

Canadian orders add \$16 US per issue for postage. All other foreign subscriptions add \$32 US per year for postage. Please allow 4-6 weeks for delivery of your first issue.

MEA USA/International

Minority Enterprise Advocate

A publication of the Minority Enterprise Executive Council.

Fax Subscription Form to MEA (703) 730-4092

MEA Magazine, P.O. Box 5199, Woodbridge, VA 22194