Chapter	1
Activity name	Harnessing the SME advantages
Version	1.0
Activity Objective	The intention of this activity is to raise awareness that in a 2023 context, being small and having decision rights is a big advantage. These supports being nimble and agile. However, we need to harness that advantage.

Activity Instructions

As an SME owner you have been successful because of your commitment to customers. This is supported by your people. However, you also want to make profit allocation decisions for the benefits of the owners and the future of the business. You are harnessing the advantages of being an SME if you can make decisions that integrate across the customers, employees, owners, and the future of the business.



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Question	Why ask this question	Response
Are you building your business in service of all stakeholders – your customers, your people, yourself and your fellow owners?	In the PLC world there is a lot of discussion about shareholder value. In SME world revenue is driven by being successful with customers, so that is where the focus begins. Your people serve those customers, so they are integral to customer success. Owners derive the benefit at the end of the line. Harnessing this advantage is doing the dance of balancing all of these stakeholders.	
What percentage of decision rights do you have when you and your fellow Owner-Leaders get together?	An SME by the succession thinking definition is where there is a big overlap between ownership and leadership. When SME board decisions are made there is no need for agency – the owners are in the room. This makes decision making much easier.	
Do you have real clarity on what your fellow owners want the business to deliver in service of their lives?	Your advantage cannot be harnessed if you have misalignment of the owners. It is wise to get on top of this.	



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Does your business allow you to live the life you want, or has it taken over your life?	If you are 'stuck' in operations and you can't do the big thinking you will not harness the advantage. You can be come a servant to your business instead of the business delivering what you want.	
Are you an entrepreneurial or cultural leader of your business? If so, how will you hand this to others?	It is rare that the Owner-Leaders aren't one or both. If you have too much connection to one person your business is fragile. You are not harnessing your advantage.	
If you intend to sell your business, what have you put in place to ensure that can happen and you maximise the business value?	Many people want to build a business for the long term but will not say no to the right offer. However, if you haven't harnessed your SME advantage it is rare that you will be ready for that offer.	

