



Pret a Manger promotes 60% of managers from within

# Get the best out of your people

**E**ntrepreneurs who run and own companies like those in the Profit Track 100 are a breed apart. They are prepared to take the risks and responsibilities that go with turning ideas into action. But they cannot do everything on their own. As the Profit Track 100 research shows, the successful entrepreneurs are the ones who get their staff to share their vision for the business.

And they know that building a skilled, motivated and loyal workforce will give them a competitive advantage.

Companies know that investing in people can make a real difference to business success, but too often they fail to act on it. They will say "people are our greatest asset" but research by Price Waterhouse Coopers into British middle-market companies shows that this is more rhetoric than reality. Companies focus on

Entrepreneurs must not just say people matter. They must take concrete action, writes **Suzi Woolfson** of PWC

business strategy but often relegate people issues to a series of administrative tasks.

The most successful private businesses, such as those in the Profit Track 100, set out to differentiate themselves through their people. Their human-resources strategy is an integral part of their vision for the business. They see investing in training and development as a way of getting people to perform to their best, and of building the skills required for tomorrow's challenges. And they act on it. They put a programme in place and appoint a training manager to run it.

Succession planning is also a

hallmark of the most successful private businesses. Owners need to think about what and who will take the company to the next stage. Many look inside the company for the stars of the future, both at board or other levels. Pret a Manger (No 21) has promoted 60% of its shop managers from people working on the shop floor, and has achieved profit growth of 89% a year to £9.5m.

A company's approach to human resources will be seen in its working practices. Communication is a key element — and quality not volume is the key here. The more people feel involved in the business,

the more they will contribute.

At River Island (No 44), for example, people at all levels work together in multi-disciplinary project teams. From the managing director to the shopfloor operative, anyone with a good idea gets his or her chance to contribute. With profit growth of 76% a year to £111m, the company has invested in training its people to work in this way and is reaping the benefits.

Successful companies don't just say that people make the difference, they take concrete action. It takes bravery for an entrepreneur who has nurtured a company from its birth to step back and allow the management team to run the business. It also takes a good human-resources strategy and a genuine belief and trust in people.

□ *Suzi Woolfson is a partner at Price Waterhouse Coopers, working with entrepreneurial firms.*