

# THE NEXT STEP

HOW AMBITIOUS BUSINESSES CAN  
ACHIEVE THEIR POTENTIAL



How to find  
elusive time

Interview with Sean Hackemann  
Managing Director



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A report commissioned by SAS Specialist Accounting Solutions considers the biggest challenge for any independently-owned company which has the potential to go further.

The ability of the owners to scale the business.

In their own words, directors talk about the issues they are having to address and how they want to achieve their goals.

The interviews will be brought together as a report to be published by DECISION magazine and then as a digital book.



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Ultimately a business will grow because of demand, and fast-track growth will occur because you're in the right place at the right time with the right product. But, says Sean Hackemann, founder and managing director of Specialist Accounting Solutions, there gets to a point where there are simply too many plates for the owner-manager to keep spinning by themselves.

"Typically the owner-manager will be the managing director, so the usual scenario is that they will appoint in no particular order a head of sales, finance, and operations, which will enable them to devote more time to growing the business in a structured way.

"The first managerial hires are critical because in a smaller organisation they can have a massive impact on its culture, and unless the synergy is there, it can unsettle valued staff and customers. It could set the business back several years rather than taking it forward.

*Sean Hackemann*



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“I think it is really apparent that the owner-manager is prepared to hire on attitude rather than leaning towards someone having exactly the right qualifications and experience. What’s more important is not the first class degree but whether the candidate will fit in with the team and whether you would want to be with them for each working day. Larger businesses are more focused on qualifications and track-record but the ambitious SME won’t be tied to such strict criteria.”

And if the appointment doesn’t work out? “The owner manager can be less patient, or should be, because having such a detrimental overhead can impact on the very survival of their business,” says Hackemann. “Hire slow but be prepared to fire quickly. It should be possible for the owner-manager to take the tough decisions more quickly because they don’t have to liaise with an HR department and take the consensus view.

“In a corporate, it can take more time for the problem to rise to the surface, but even though the owner-manager can see first-hand what is happening rather than having to wait for feedback, there can be situations where they are more tolerant, hoping that the person they selected will eventually come good. That likelihood might be completely against the odds but there is no-one to challenge the owner-manager’s opinion - they are the judge and jury. But I would say you probably doing everyone a favour by letting them go straight away, because wisdom with hindsight will tell you otherwise it just gets more problematic.

“But I think there’s another, perhaps more fundamental reason why the owner- manager can be reluctant to recruit people to decision-making or influencing positions. If you think about it, one of the reasons they went into a business on their own account in the first place was about control; they didn’t want to be told what to do. Now they are faced with employing people who would be in a position to regulate them.

“And you have to remember that if the owner-manager invests £80,000 in taking on a sales director, that’s out of their own pocket. If the company is owned by institutional or private equity shareholders, or is part of a group, then it’s other people taking the financial risk.”

“Having some formal processes in place facilitates the owner-manager’s realisation that they need to delegate to grow the business,” Hackemann maintains. “Processes enable the ‘how can I make it work and still know what is going on without micro-managing’ questions to be answered. Process isn’t the same as adding bureaucracy. There is a fine line between being prescriptive and having procedures. If nothing is formalised then you can’t ensure consistency and that creates a real risk for a growing company. Having processes is like having a checklist, the creation of a platform to work from which means the owner-manager can hand over tasks with more confidence. And if there are processes in place, people need less supervision. It’s about the effective deployment of your time, devoting your attention to where the heavy lifting needs to be done.”

Professionalising the business has to be the precursor to the first key appointments and delegation, Hackemann suggests, and he provides a cautionary tale. “The owners of a company selling to consumers decided to step back and hired two managers to take over the day-to-day duties. But because they were no longer directly involved in the operation of the business, they weren’t aware that the people they had brought in were committing fraud, and it was a year before the thefts became apparent. Why? Because the owners didn’t have processes in place, and to compound that, in this case there weren’t clear reporting lines in place.”

He can see why something like that can happen. “The owner-manager can get the company to a certain level with a combination of enthusiasm,

determination, and a bit of luck,” he says. “They know their sector and have intuitively made the right decisions. In many ways running a business is like having children. You don’t need a licence, training, or qualifications. But the next step can take you right into unknown territory.

“The new generation of business owners is more open to getting outside advice, partly because it’s easier to find on the internet, but if you look at the sheer number of business coaches and mentors I think that also translates into a desire to have a trusted advisor on hand. The difference is that the new generation see that as a way to move forward rather than having to reach out in order to deal with a specific problem which has arisen.

“But that reflects a trend across all generations of business owners. One thing I’ve noticed is a growing awareness by the owner-manager of the requirement to get outside support to enable them to think about the future of their business, having someone who isn’t involved with day-to-day operations who they can meet with regularly. Having that date in the diary provides the discipline for the owner-manager, otherwise there is always going to be something more immediate which happens that means they don’t get round to having that discussion.

“I think the owner-manager can lose themselves in the day-to-day running of the business, which makes it harder to take a step back or to look up. The sessions don’t need to have a strict framework; it’s a conversation taking them beyond the nitty-gritty.”

According to Hackemann, the personality of the owner and how their business will develop are inextricably linked. “The drive to be bigger has

to be there but if their company is meeting the cost of school fees, the holidays, a nice house and car, that can be enough,” he says. “Nobody gives the owner-manager a kick up the backside to keep growing the business. And instead of looking for continuous growth, the desire can be to enjoy the relationship with staff and customers and focusing on making sure everyone is happy. That doesn’t mean the business doesn’t take up opportunities as they arise or isn’t prepared to change because of market requirements.

“The younger generation of business owner doesn’t necessarily see what they are doing now as being their entire career. They are far more comfortable with the concept of building the company up to a certain level and then selling it to take on another opportunity or challenge.”

Increasingly, says Hackemann, there’s another route into owner-management. “Anyone in a corporate employment who has been thinking about setting up their own business or buying one should do it sooner rather than later if they can afford to put up the capital and time,” he suggests. “Because once you’ve got the notion, the likelihood is that it will eventually happen. Taking that step is down to self belief and a supportive partner.”

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## About Specialist Accounting Solutions

‘We strive to give our clients the most reliable, accurate and insightful financial information’, says founder Sean Hackemann. ‘Our passion is to help businesses fully understand the numbers which in turn helps them create, grow and sustain great businesses’.

Specialising in advisory, virtual FD and financial outsourcing services, Specialist Accounting Solutions Ltd works with ambitious entrepreneurs and management teams, supporting them to achieve their goals.

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