Volume	7	Governance
Chapter	01	Help From My Friends
Section	02	Gathering Those Around You
Key Word Tags	Mentor	

YOUR BEST FRIEND

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Quick Summary: An entrepreneur needs to develop a strong relationship with a mentor when they first start.

Abstract:

By their very nature, entrepreneurs have lofty goals and visions for their new ideas. Developing an open dialogue relationship with a mentor is, by far, the most important step they can take. That relationship should start even before the entrepreneur's idea is fully formulated. The relationship must be developed on trust with the mentor's primary goal of helping the entrepreneur personally be successful.

In keeping with the theme of this chapter, you should have one best friend as you begin to *think* about a new business, and that best friend should stay with you long after you are successful. That best friend should be your <u>personal</u> mentor. Notice that the emphasis is on "personal." This individual's primary focus should be on you first and your business second. The best thing they can do for you is to provide objective feedback, both in the form of relating their experience and in asking you introspective questions about your goals and your plans for the business.

Often, the entrepreneur is surrounded by individuals with well-meaning intent who provide what is referred to in article 3.010303, "*<u>Misplaced Encouragement</u>*." To avoid hurting the entrepreneur's feelings, they encourage them to pursue their business idea when, in truth, they may have serious misgivings. A number of the other articles in Volume 3, Chapter 1, "*Opportunity Identification,*" provide similar comments that the entrepreneur, along with their mentor, should openly discuss. The key to an effective mentoring relationship is bi-directional, open dialogue. The mentor's role is not to "force" their opinions on the entrepreneur ("mentoree,") but to offer points of view that the entrepreneur should consider. In the end, the success or failure of an entrepreneur's business will be based on the decisions that they make. One example of how a mentor can help is for them to point out the risks and their likely occurrences to the entrepreneur. As part of their DNA, all entrepreneurs envision a bright future for their idea. Their vision is likely to mask the realities that they may face. Based on their experience, a mentor can help an entrepreneur consciously and objectively consider the factors that a mentor identifies.

It is easy to confuse the role of a mentor with other potential relationships described by similar but actually very different roles. Four of the commonly used terms for these different roles are described below. The descriptions are based on the context of this entire collection: issues involved in starting and running a new company.

Mentor: A mentor provides candid advice of a personal nature that identifies issues that the individual should consider. A mentor does not necessarily have to have domain expertise in the business that the entrepreneur is considering. However, they should have real-world experience in starting and running a business. Their principal value will be in the early stages of business definition and formulation. However, as the business encounters difficulties, the mentor can help the entrepreneur (perhaps now the CEO) objectively identify alternative approaches. Mentors do not expect any compensation for their involvement. They typically have a "give back" or "pay-it-forward" approach to their involvement.

Advisor: Unlike a mentor, an advisor has specific domain expertise in one or several specific areas. An advisor, for example, could be a marketing specialist, a sales professional, a specific product or market experience, an experienced development manager, or a financial specialist. Probably the most valuable advisor is one who has experience in raising money or evaluating business opportunities. These individuals will ask the tough questions about the viability of the business. Advisors do not expect any compensation for their involvement. Like mentors, they have a "give back" or "pay-it-forward" approach or consider it a "pro bono" part of their profession. Attorneys are a good example of a group that provides pro bono or significantly reduced rates to new entrepreneurs.

Coach: Just like in athletics, business coaches specialize in a few very specific areas. Their function is to work with the individual (or a small team) to develop or refine certain skills to make the individual(s) more effective. Common coaching activities include developing or refining management, leadership, or communication and presentation skills. For larger organizations (10 people or more), team building, process implementation, process improvement, goal setting, and sales skills coaches are commonly called upon. In general, coaches are "for hire" and focus on discrete engagements. However, many "CEO" coaches maintain a long-term relationship with their clients. Coaching is a profession, and coaches expect to be paid for their services.

Sponsor: In the normal context, a sponsor is an individual within an organization that mentors, advises, and coaches an individual "lower" in the organization and helps them move up in their career. In the context of this chapter, a sponsor is a prospect or customer that believes in the entrepreneur's or company's business plan and, through their influence, helps them attract customers and business partners. Sponsor motivations can vary from a "pro bono" or "pay-it-forward" attitude to foreseeing the company's offering as a beneficial advance for their company or even an entire industry. Sponsors expect no compensation but may benefit indirectly as the company becomes successful.

Of course, the above descriptions are very general, and combinations and variations are commonplace. The overall descriptions have been provided to help an entrepreneur or company set the proper level of expectations for themselves and the individuals that may be engaged. The four disciplines are listed in the time sequence in which they should be pursued.