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Assignment 1

Question:

Why is delegation so important to entrepreneurs in making the transition from an entrepreneurial venture to the diversified operations of the growth stage? Explain in detail via example and chart.

Answer:

Introduction

Delegation is important to entrepreneurs in making the transition from an entrepreneurial venture to the diversified operation of the growth stage. Delegation in simple words refers to a situation where the entrepreneur elects representative to handle some of his task more efficiently and focused. An entrepreneur knows a lot of things regarding the venture because he started from core and he knows almost everything of the venture. But at the growth stage, the entrepreneur must choose to delegate because they venture requires more attention from the entrepreneur. If he continues doing what he need to do everyday, he will have no enough time to think further on the venture. This might cause the venture to not be up to date and might lose in long run. *“Even ‘Super-You’ needs help and support. There is no shame in asking for assistance. Push aside the pride and show respect for the talent others can bring to the table. And, remember that there is no such thing as a single-handed success: When you include and acknowledge all those in your corner, you propel yourself, your teammates and your supporters to greater heights.”* - *Author Unknown (adopted from Mind Tool articles).*

How to delegate?

First identify the best person for the job or task. Make sure he or set can get along with other employees well they need to communicate regularly with other employees. Second, identify the goals and key steps required to handle the project. And it is very important to ensure the person who we selected really understands the goal. They are being chosen to delegate and they are going to represent or handle the project further. Next, establish clear milestones and deadline. He must be informed on what to achieve and by when to achieve it. This will help him to set his mind to the right speed to completing or handling the project in timely manner. Fourth, provide feedback and support continuously. He might need slight advices or recommended from you regarding this task and his performance, therefore providing feedback regularly will help him to align properly with him goal and follow the timeframe. Finally, once the project or task done, the status and success need to be evaluated to see what can be improved next time and correct any wrongs that existed in the delegation process. This helps the entrepreneur to know in detail about where the delegate is weak and where is it strong. Later he can delegate again based on this factors.

What to delegate?

Delegation has its limitation. Delegation does not mean the entrepreneur is surrendering his entire task to the chosen employee. But actually, only certain task will be delegated and Steve Chalke had suggested few tasks that entrepreneur should consider of delegating. First, delegate the things that the entrepreneur is good at. If the entrepreneur is very good in marketing communication to take care of customers' welfare, then it can

be delegated because as stated in the delegating procedures, the entrepreneur will regularly provide feedback to support the employee. Therefore he can teach his skills and technique of doing it to them. The employee will be benefited at the same time. Second, delegate the things that entrepreneur is bad at. This is true as well, because if you are bad in doing something like providing customer service or support, then you can delegate it to the right employee who has the capability of providing the support without hassle. Because some people looks at support request as trouble while some others look at them as a fun and challenging ad-hoc task and they might love doing it. Find the right person who loves it and delegate to him. Third is to delegate work which will provide experience. Employees are eager to gain experience through out their working life. Therefore, the task can be delegated to them and they will benefit from it as they will learn a lot of experience from it. Fourth is seeking opportunities to reinforce talents. This means take the right person into your venture and use his talent or something that they are very good with and delegate to him so he can use his talent to benefit the venture. Fifth is to delegate routine decisions. There is no reason for the entrepreneur to keep making the decisions everyday on routine whereas he must delegate this task to the employees and save his valuable time.

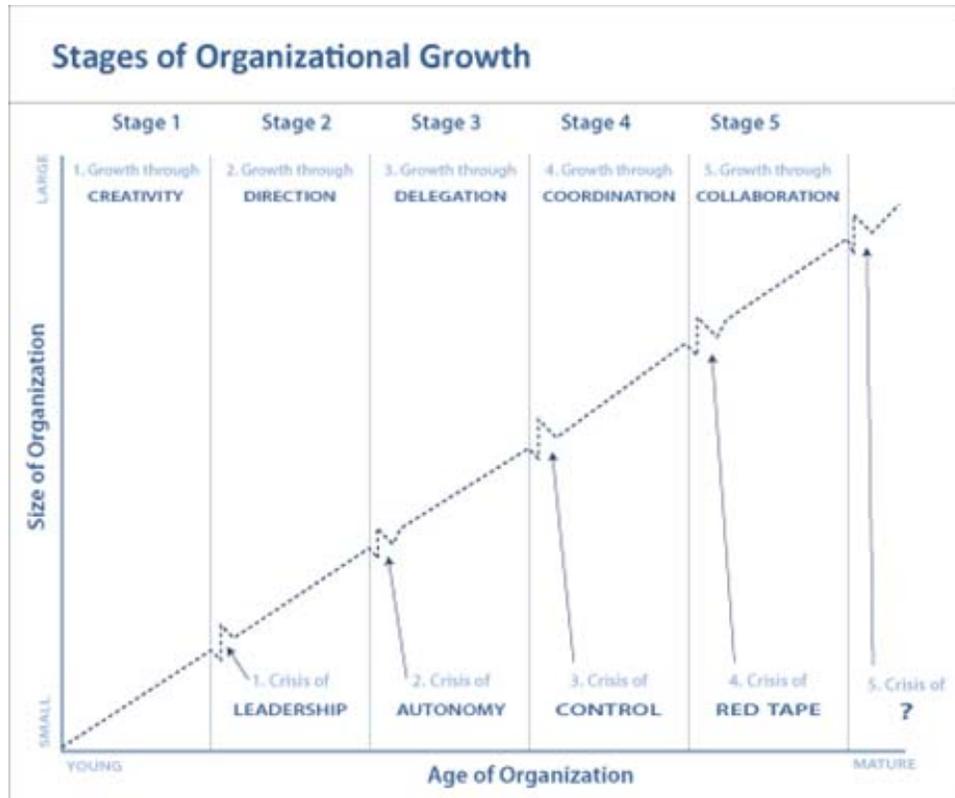


Figure 1
Source: Accel-Team.com

Why is it important?

Delegation is important to kill autonomy. In organizational growth cycle (figure 1), the growth stage is the third stage for any venture. When a venture started, the entrepreneur attempts to handle everything and he does it very well until the venture grows up to stage 3, the growth stage. In growth stage, he can't continue the autonomy skill and must adopt delegation skills to ensure he can balance on what to do next. Otherwise he might keep doing the routine work for the business. That will cause the business to keep moving, but eventually will stop it from growing further bigger because there is no space for further thinking and innovations. The autonomy is marked as crisis when the venture reach stage 3 because that's limit of autonomy skill, from that point further, only delegation can help it better to grow.

Limited capability is yet another reason to delegate. An entrepreneur has his limit in term of his own capability in handling multiple task. Human are given 24 hours a day and there is no way you can use that 24 hours of your daily life to handle the business for 365 days a year. Because you do need rest and sleep and this causes your real capability to decrease from 24 hours to lower. The same situation applies for entrepreneurs; they have their limitation which we can call it as capability boundaries. The entrepreneur need to share his work load with others and the experts had commented the stage 3, growth stage as the boundary for the entrepreneurial venture.

Entrepreneur deserves time freedom. Entrepreneurs are categorized as people who can think creative and take risk to bid for the available opportunities. They will be aware of what is happening in the industry and take chance to enter and win in the industry. This statement can't be true if the entrepreneur not given enough time. If the entrepreneur keeps himself extremely busy with the venture, he will not have time to think and innovate creatively. Beside his busy schedule will make him lose his opportunity of diversifying the venture to grab more business changes as he might not be aware of what's happening outside of his venture. This must not happen to the entrepreneur as it will affect the venture as well.

Effective thinking is required by the entrepreneur always. If the time tights him, he can't think creative. An entrepreneur needs time to think of solving problems when they occur or even before they occur at the first place. This slightly related to innovation and

creativity. Ideas must be born from the entrepreneur continuously. This is required to ensure the venture can grow further. Once in growth stage, the entrepreneur can decide to diversify the operation and it provides him more time. Innovation is always encouraged and it believed to exist as one of entrepreneur's characteristic and his busy schedule should not be the reason to kill this characteristic. Giving him more time is similar to giving him more space to think creatively. The result of this creativity will bring the venture's growth to another step forward.

Day to day activity must rely on others. The entrepreneur must rely on others to conduct the day to day activities of the venture because this routine task is an unnecessary commitment in his duty. And there is no wrong to get rid of it. Delegating this would enable him to just rely on other employees to carry out the day to day activities while he can spend his time on something unique or niche. The entrepreneur should do this day to day activity by himself because it is purely waste of his valuable time. If he does not delegate this task to others, then he is truly wasting the human resources and shows poor human resource management.

Conclusion

The entrepreneur must delegate to allow the venture to grow further. Otherwise the growth will be blocked due to lack of innovation and creativity. And the reason is the entrepreneur himself for not delegating his task. Especially the day-to-day business routine activities must be delegated as they are pure waste of time for the entrepreneur. In another word, they are waste of human resource and shows poor management. Delegating

will provide enough time to the entrepreneur for effective thinking and problem solving even before they occur. Effective thinking leads to innovation and creativity and supports stronger the venture to continuously grow. Delegation is a must to save the venture's growth which benefits all parties.

Word count: 1,494 words

Assignment 2

Question:

Describe the concept of networking and responsibility charting and explain their potential for improving an entrepreneur's decision making abilities.

Answer:

Introduction

Decision making is an important step in the growth stage of a venture. It gets difficult and complicated for an entrepreneur. Making the right decision can result to profit while making the wrong decision might cost a lot to correct it back or in some cases it cannot be undo and result to collapse of the venture. This drew the consent among the entrepreneurs and they do always seek for the best tool to help them in this decision making to stay away from unwanted crisis. *“To address the manage challenges of rapid growth, some methodologies exist for handling decision-making during the transition. One method focuses on the use of external resources through networking.” “Another method to deal with decision in an enterprise's growth stage is responsibility charting” - Ali Farhoomand, 2005.* Networking and responsibility charting can help the

Networking Method

Networking method depends on information received from external sources. First of all, the business should network themselves with others business or associations. Then the business can demand and learn information regarding the industry from the network

itself. The source information that received is agreed by the sender and receiver. This means no fake information or illegal private information will be sourced among the business. They are in the network to provide mutual benefit to every party that involved. The networking can be done among the business and individuals also. The entrepreneur can continuously seek for information from the network and it can be also informal.

Networking can be both proactive and passive based on the issues on hand. The entrepreneur can also choose to be proactive with some parties and be passive with some parties and this based on the closeness of the entrepreneur with the parties. The timescale also differs based on parties whereas the entrepreneur can decide to frequently networked or occasionally based on issues that the business is facing. Beside, the entrepreneur also might decide to solve the issues in hand first before receiving any new information from the network. The entrepreneur can raise that particular issue and seek for feedback from the network and the feedback can be used to evaluate and help decision making.

On other hand, knowledge or information will be received as part of apparently unrelated conversation or observation. Normally entrepreneurial networking has no standard way of operating or procedures. "It is unlikely that any one aspect of networking will lead to decisive decision making by the entrepreneur, instead networking will represent an array of assessments which all contribute toward a final decision." "Networking can be likened to a cloud; when observed it can be seen but it is difficult to make tangible contact with all its dimensions. It will appear to be in contact flux but at the same time it is always recognizable" - Michael John Baker, 2002.

Responsibility Charting Method

Responsibility charting is used more often by businesses as it has 3 break-down or key allocation which are; decisions, roles, and type of participations. This key allocation plotted nicely in a charting as matrix distribution and activities will be tracked down. The best part of this responsibility charting is emphasize on team spirit to ensure the whole team keep informed of an activity or task that might involve them. So people are keep informed and activities easier followed up by next parties or employees. After person A done task 1 and informed person B, person B will proceed his task 2 and inform person A and person C and the activities flow continues. The person A, B, and C are employees who related to the task while task 1 and 2 are work flow. This responsibility charting helps them to be keep informed beside, the role can be break down into several. The roles are; responsible, accountable, consulted, informed and not filled and left blank if the employees are not involved with an activity. Below is the example of responsibility charting adopted from toolbox.com:

BUSINESS PROCESS <i>(A major process identified by the BPE Team to be analyzed through Roles and Responsibilities Charting)</i>	FUNCTIONAL ROLES			
ACTIVITIES <i>(An action that is one of several sequential steps in the completion of a business process)</i>	Role1	Role2	Role3	Role4
Activity 1	R	A	C	I
Activity 2	I	R	A	C
Activity 3	C	I	R	A
Activity 4	A	C	I	R

Figure 2
Source: Toolbox.com

‘R’ refers to responsible, ‘A’ accountable, ‘C’ consulted and ‘I’ informed. But how does plotting this data into the matrix table helps to improve decision making? Well, the

activities will be analyzed back by the entrepreneur after receiving it. The information that you received can be matched straight away to identify several problems and work toward fixing it.

The problem can be identified based on situation plotted in the chart. Such as; if an activity does not have at least one responsible role, how does the work get done? If there are more than one responsible roles, is there an overlap of work? This ensures the entrepreneur can assign the task to only one person and do not waste the manpower.

If there are multiple roles which are accountable, there may be a delay in decision making or unclear responsibilities. Therefore the entrepreneur can reduce the number of accountable role in the activity.

If there are many consulted roles, there may be a delay in decision making due to the number roles consulted prior to making the decision. If there are no consulted roles this may also indicate a problem in decision making. When this situation exist, the entrepreneur must highlight only one right consultant role to make the progress faster while at least one consultant must be added to ensure decision made with proper consultancy.

If there are many informed roles, there may be some communication problems underlying the process. If there are no informed roles this may also indicate a communication problem. Again the entrepreneur must decide and only make those are

directly involved to be informed. Beside he can make it like multi-level distribution whereas only 2 parties will be informed at each activity and that 2 parties will inform other 2 parties after task complete and the hierarchy continues and at the end of project completion, all involved parties get informed of the task.

If one role is only consulted or only informed, but has no responsibility and no accountability, is this role necessary? This question will be useful to cut down employees to ensure no waste of resources. Or else the entrepreneur can decide to give the role any responsibility and accountability so the other role's load can be balanced for smoother work flow.

Missing roles may indicate that the current process is not fully understood yet, and the process needs to be analyzed further to uncover these roles. The roles that ignored from entering into any of the process must be identified and studied by the entrepreneur to ensure the system is utilized as well as the manpower.

The whole idea of using this responsibility charting is to help to entrepreneur or management on allocating and plan the work flow in proper manner. Proper use of manpower and good decision making can result to fast moving organization and contribute to serious growth.

Conclusion

Decision making is crucial in growth stage and it must be taken care with more knowledge and understanding. The networking method is the simplest methodology to grabbing information around the industry and limited to the network itself. The information provided can be trusted as the network is a trusted medium and agreed by both sender and receiver of the information. Although the information received is valid, the entrepreneur will not be influenced directly by this information but he will use it merely as additional information to assess the decision that he planned. It is merely used as knowledge to make new decision. On the other hand, responsibility charting is yet another methodology to help decision making. But this method is limited to receive information within the business process itself. This is because this method provide complex information on who are working, what work is going on, who being informed, who being accountable, who is responsible and who can be consulted before making the decision. This includes a matrix based chart with list of processes, list of roles and their level of participation. This helps the entrepreneur on what's happening inside the firm and what can be made better. While networking method helps him to understand on what's happening outside of the business and what might go better or worst. Both are useful and important tool for the entrepreneur and the venture.

Word count: 1370 words

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