



PLATO is a two-year business development programme targeted at small and medium sized enterprises (SMEs). Owners/ managers enhance and exchange a broader range of management experiences and strategic visions necessary to develop their companies and broadening their own views. It also provides its participants with a base for trustworthy business to business opportunities and links. The PLATO approach is based on:

- Owner-Manager focus;
- Bottom up and group learning approach;
- Sustained involvement;
- Networking and collaboration.
- Locally based and business led approach.

### *Why this counselling programme?*

Many SMEs want to expand, but are blocked by critical factors during the growth path. These factors tend to be similar in most SMEs. SME entrepreneurs often feel themselves “isolated at the top”, although colleagues are facing the same problems. They also often have a technical but not a managerial background. In big companies there is a supply of expertise on a range of management topics. This expertise could be very useful for SMEs, but it is normally not used.

A solution to these problems could be that the SME entrepreneurs are brought together so that the isolation is broken and that they can exchange experiences as well as continuously tap into the expertise of a big company through the counsellors/moderators who:

- co-ordinate the exchange of experiences between the SMEs;
- act as an individual adviser and a link between the SME and the whole organisation of the big company;
- invite specialists to talk about important topics;
- introduce new views and approaches based on a more covering view of large organisations, and if necessary, explain management terminology and methods;
- become confidantes for the SME.

Through the professionalization and the choice for growth of the SMEs, there is probably a long term effect on employment in the region.

### *Goals and methods of PLATO*

PLATO has four major goals:

1. to provide a platform for long-term sustainable and trustworthy exchange of experiences between its participants, i.e. the SME managers/ owners including the counsellors/ moderators;
2. to stimulate transfer of management know-how from big companies' chief executive officers (CEOs) and staff members to SMEs;
3. to make an exchange of experiences possible between SMEs in the different PLATO-groups;
4. to create a network of small and big companies where information, contacts and business opportunities are the issue.

Only managers and/or owners may take part in the network so that all participants have the same position and formal responsibilities.



### *The PLATO Process*

The process is centred on the PLATO groups with 15-20 SME owners/ managers and 2 moderators from big companies per group. Each group meets once a month to address a wide range of management issues and to consult with each other. Guest speakers provide information and enhanced insight.

Group meetings are complemented by counselling on an individual basis by the moderators and their colleagues. Periodically, seminars are arranged, involving participants from all PLATO groups.

Apart from the "formal" PLATO activities, complementary activities and initiatives often take place, e.g. company visits, open hearings where all members are invited.

Within the PLATO network, SME managers have thus an opportunity to share experiences and learn from one another, have access to advice and assistance from specialists in big companies, and broaden their views through invited speakers and by participating in the seminars. As the relationships grow in the PLATO network, so does the range of commercial opportunities that arise from business linkages. There are many opportunities for the participants to share e.g. information, resources, premises or equipment and to acquire new customers and suppliers or pursue joint ventures. As a result, many PLATO companies have developed new business relationships through the network.

Also the big companies and their counsellors have experienced benefits from their participation. They have outstanding opportunities over a fairly long time to gain insight into the SMEs more entrepreneurial patterns and their organisational structures, and thereby acquire an entrepreneurial experience with which they may contribute more effectively to the development of their own big organisation.

In the programme, the evolution from the transfer of know-how by experts and staff from large companies to the mature groups learning from each other is important. More and more the older generation, founders of companies, often with less formal education are disappearing and the new managers in SMEs have often a university degree, sometimes with an additional Masters degree in business administration and in a few cases a year of experience abroad. More and more SME managers speak several languages and the openness towards other cultures, other ways of management, etc., increases. By consequence they are more open-minded and facilitate the communication between them.

### *Group sessions*

In a period of two years a fixed group of 15-20 SME entrepreneurs and 2 staff members/ counsellors/ moderators from large enterprises have monthly meetings. The participants are carefully selected, no competitors are to be in the same group.

From time to time at these group sessions a specialist is invited to introduce a specific matter in the first part of a PLATO-evening. In the second part the participants can discuss the topic and exchange experiences on it. It's up to the counsellors to invite a speaker and to moderate the exchange of experiences between the SMEs.



From recent research we know that the group dynamics are an important element in the transfer of knowledge. From the same study we found the important role of the coaches to create an environment in which the transfer of knowledge is stimulated. The discussions and dialogues allow group members to compare experiences and jointly consider individual problems and to start to counsel each other.

As examples of the topics discussed in the group meetings could be mentioned strategic planning and analysis, econometrics, mergers and acquisitions, partnerships, business development, negotiations, delegation and motivation, the process of change, and internet as a business tool. As can be seen from this list, the topics cover quite a range of problems managers today face in businesses.

### *Individual counselling*

Each participant in a PLATO-group has an opportunity to get individual counselling on all possible topics (e.g. recruitment procedures, preparing a budget, a phone number, etc.) through the counsellors / moderators or their colleagues in the big company. This service is for natural reasons limited to some few hours from time to time. If necessary a more thorough counselling can take place via an audit of the whole company in the so-called PLATO-Flash.

### *Seminars*

With the seminars arranged for all participants in a PLATO network (comprising several groups of 10-15 participants), certain topics can be treated thoroughly and from different points of view. Because all existing PLATO-groups are invited, the seminars also give an excellent opportunity for networking. Depending on the theme, in some seminars other employees and colleagues may participate as well.

### *Informal activities*

The project management and/or individual participants organise company visits, a PLATO-pub, barbecues and other informal events to bring entrepreneurs together over the whole network and to give them opportunities to discuss and to inform. Each group often forms its own pattern, e.g. to meet from time to time for a dinner.

### *What about the results?*

By word of mouth, the PLATO concept has since 1988 been spread and adopted in 8 European countries, comprising at the end of 2000 some 7000 SMEs and some 500 large company representatives as counsellors/ moderators. This is a very significant critical mass for a multinational network, quite unique by international comparison. In each country, one party is appointed National Co-ordinators, their main task is to see that the quality and merits of the PLATO concept are not undermined and to provide access to know-how in setting up and running PLATO networks. It must be noted that there is no formal overall PLATO organisation setting up and running network projects, but rather local initiatives that through insight and concern modify the general PLATO concept to fit local means and conditions. Every PLATO network is evaluated by independent sources.



Some of the Belgian evaluations have shown that in Belgium, since 1988 more than 800 SMEs, 150 counsellors, 55 large companies and a network of 300 other speakers and specialists have been involved in different PLATO projects in the area Kempen.

A survey of the first project by Professor Donckels from the Catholic University of Brussels showed remarkable results. In turnover, the SMEs have an average increase of 15% to 20 %. Also jobs increased by 20%! Similar results have been reached in projects that started later. A number of business opportunities otherwise not exploited were developed, as well as a more mature and bird's eye-view of the company and its business. After the completion of the programme, growth rates have continued indicating the success of PLATO's long-term integrated development approach. A follow-up survey after five years of the first two projects (200 SMEs) showed an increase of 1,400 new jobs. Half of the participants account this result entirely on the PLATO project. All of them would participate again or will advise other entrepreneurs to participate.

### *Qualitative benefits for the participants*

The big companies have definite benefits from participating in the PLATO programme. They get a good opportunity for networking with other companies. They have an excellent position to acquire know-how on how to do business with SMEs. General training in management and better comprehension of their own big company for high potential counsellors are by-products of counselling SMEs. The counsellors/moderators become more entrepreneurial in their own company when they return to the basics of the problems of SMEs. Through their input, others in the companies become aware of SME related views and way of doing business. It is also very rewarding and inspiring for the big companies to be members in successful initiatives. This kind of local activity also breeds commitment to the region.

For the counsellors, the activities in the PLATO programme are rewarding because by working with the SMEs they get practical insight and experience in how general management is handled in a small organisation with usually marginal resources. They also benefit from networking with colleagues/counsellors in different specialist areas. By counselling others, they get a better understanding of the functioning of their own company. Working alongside specialists, they refresh their own basics by sharing it with non-specialists. They can acquire a career move by showing new qualifications in counselling. And again, they can acquire a new commitment to the local region.

For the SMEs, the practical gains are great. First of all, they gain experience from others and they also gain an awareness of how they manage their company in comparison to how other SMEs manage theirs. These two benefits are extremely rewarding for a "lonely SME manager with usually an under-dimensioned board. They can also acquire expertise they themselves as SMEs cannot afford, like more strategic thinking and long-term planning; permanent stimulus for the SME entrepreneur to improve the management of his company. They become more professional in marketing, human resources, finance, more interested in exchanging experiences with colleagues in other SMEs and aware that they are not isolated and can learn a lot from each other. They become part of a network of contacts and co-operation.

### **PLATO-INTERNATIONAL**

PLATO has also received international attention, it has now been spread and established in eight countries covering 33 regions. Since 1992 projects have been launched in Denmark, Ireland, The



Netherlands, Germany, Sweden, Poland and France. In other countries such as Spain and Canada contacts are promising. Just as in Flanders, the Strategic Planning Team trained the new local project leaders and took care of the follow-up during the two years project.

When transferring to other countries, the PLATO programme has been adjusted/ modified to national and local conditions in the different countries. The collaboration between all the local project leaders in the different countries opens enormous perspectives for the SMEs in these regions. The local project leaders know their own network very well and can act as perfect intermediaries between other PLATO regions. PLATO therefore can be a practical way to Europe for SMEs.

The rapidly expanding European PLATO network offers the SMEs exciting transnational opportunities for business development. The vitality of the PLATO concept is evidenced by the fantastic number of enterprises that participate in one form or another in the programme. Some 7000 SMEs and some 500 large company representatives have so far experiences from PLATO network participation.

The transfer of the PLATO concept depends on three major aspects: an interested partner, the chosen region and the local executor of the project. These three factors must meet certain criteria, but local circumstances will be taken in account as well.

If there is a real interest in the PLATO-programme, a meeting with the Strategic Planning Team or the appropriate National Co-ordinator can be organised where the PLATO-idea can be clarified and the criteria for a transfer explained.