#### Managing director

#### It's About Leadership

Every organisation needs someone to lead it; to show the way forward, to encourage its members and to motivate them into greater effort. This is your task as Managing Director and by definition it is the most important and difficult task in any company.

**YOUR RESPONSIBILITIES INCLUDE:**

* Setting Company objectives and ensuring a sound business plan is made;
* Making sure this plan is achieved;
* Developing good teamwork;
* Motivating the team;
* Making sure tasks are delegated so that everyone has a job;
* Communicating to everyone so that they know what they are doing;
* Doing everything in your power to ensure the Company retains delighted customers. This will include playing an active part in reviewing Company progress and the part each Company member plays in achieving customer delight;
* Representing your Company where required;
* Setting permissions on the Company Programme website

How do you relate to other members of your company?

It is important to distinguish between "leading" and "bossing" - they are quite different! As a leader you set a good example by being punctual, planning in advance, keeping cool in difficulties, listening to other people's comments.

In a meeting of directors (and all students are directors) all directors are equal. Each should have a say in reaching policy decisions. You have to abide by the majority decision just like everyone else. Once that decision has been reached, however, then it is your job to ensure that it is carried out. Outside the Boardroom the team must take their directions from you.

Normally, you will deal with your management team of "Function Directors". You would not normally tell someone on production what to do. This would be done by the Operations Director.

You will have to work very closely with the Finance Director, especially in the early stages, when you will be putting together your Business Plan. This will include important financial information.

Planning

**Coordination and Motivation**

When you first set up your Company, all the members, with guidance from your advisers, will work together to draw up the following:

* A Mission Statement: clearly stating the main aims and purpose of the Company;
* A set of Objectives: a clear set of goals with agreed measurements to achieve the mission statement.

**Get your company moving**

* It is up to you, by your leadership to get your Company moving!
* Many JA-YE Companies run out of time, because they did not come to decisions quickly enough.
* Conduct of meetings is up to you and the sooner they become business-like the better. You are in the chair - it's your responsibility!
* Prepare a timetable for the year ahead.

**The business plan**

Prepare your plan together with your Functional Directors. It should be as brief as possible while still covering the essential points. These include:

* Company Detail - Name, Share Capital, Function Directors.
* Product/Service - Description and how it is to be made/provided.
* Marketing Strategy - Where and to whom you will be selling.
* Market Research, Competition, Promotion.
* Forecast Sales - Estimate of likely sales and value.
* Staffing - Number of Students, pay and rewards.
* Finance - Product costings and break-even forecast (Form MD3)
* Capitalisation
* Profit estimate (Form MD1)
* Cash Flow (Form MD2)

This plan must be presented to and agreed by the Board (all students). It may also be used outside the Company, e.g. for a Bank Loan, convincing potential shareholders. Most high street banks can provide excellent business planning guidelines.

**Timetable**

It is important that you plan ahead.

Check out dates for: Trade Fairs, Training Sessions, Presentation Events, The Examination, Conferences, National dates.

Carefully consider your manufacturing and sales schedule.

Up and Running

**Overall responsibility**

You are the main person who will represent your Company when dealing with: outside organisations, the media, other companies and the general public etc.

You are the figurehead. You are also the person who, in the final analysis, is held responsible for the Company's activities. Your responsibility is threefold, to the:

* shareholders, for their investment in the Company;
* employees, for their working conditions, job prospects and job satisfaction;
* customers, suppliers, advisers etc, for the way the Company's activities may affect them.

It is also your duty to ensure that:

* your team co-ordinates its activities;
* the different departments co-operate with each other to fulfil the objectives of the business plan;
* everyone recognises that all tasks are interrelated and interdependent.
* No one section of the Company is more important than another. Everyone must work together as a team to ensure we have and retain "delighted customers";
* the Company money is managed responsibly and allocated effectively.

**Running meetings** (either you or the Chairman of the board)

You are responsible for ensuring:

* that an agenda has been prepared;
* that people stick to the subject under discussion;
* that all members wishing to speak obtain your permission first;
* that you allow everyone a say in turn;
* that members do not hold their own conversations but remain quiet until you signal that they may address the meeting;
* that a clear decision is made on each subject and that it is recorded. (This is very important even if the decision is one of postponement!);
* that points for action and the people responsible are recorded and highlighted;
* that personalities are not allowed to intrude and verbal abuse is stopped.

**The contents of meetings**

* Apologies given for absence.
* Minutes read, if not previously circulated. Ask if they are a true record, and if so sign them.
* Go over the action points from the last meeting and consider any other outstanding matters not on the current agenda.
* Go through the items on the agenda, with reports from Function Directors discussed and decisions taken. Check that all understand the decisions taken and who is responsible for action.
* Deal with any other relevant business members wish to raise.
* Agree the time, date and place of the next meeting.

**Monitor progress and give help**

* You need to have a general understanding of the roles of all Function Directors.
* Liaise regularly with each Functional Director.
* Avoid doing their work for them or interfering.
* Monitor targets regularly and take corrective action when necessary.

Ending the Year

**Prepare to wind up the company**

* These dates have to be agreed early in the New Year;
* date of cessation of trading - the date for your final accounts;
* date of Board meeting to allocate profit;
* date of the Shareholders Meeting;
* date by which Function Directors hand their Reports to the Secretary for inclusion in the Company
* Report.

Bear in mind the following points:

* how long will it take, after production ceases, to sell off your stock?
* how long will your Financial Director need to produce draft accounts?
* consider what needs to be done to prepare for your Shareholders meeting (AGM);
* are Sales and Production liaising in the running down of stocks?

**Winding up the company**

The Annual Report is most important. It will take some time to produce and is required for Shareholders and the Company Competition. Reports are produced by each Function Director and yourself. It is up to you and the Secretary to make sure that it is well written, accurate and not repetitive.

Also make sure it conforms to competition rules. Involve everyone. Someone may have a talent for layout, another for its production. You should read and edit the final document.

Make arrangements for the Shareholders Meeting (AGM) with your Advisers. Agree date, time, place, format and who is to be invited. This should be a key event and requires careful planning. Seek advice. Normally you will be in the Chair. (Remember to thank all who helped.)

Consult with the Finance Director and Secretary before the Board meeting is held to allocate profit.

Study the financial aspects of liquidation so that you are fully briefed.

Some Skills and Qualities You Will Need to Develop

The ability to set clear objectives for the Company, yourself and colleagues.

* Understand how the business works.
* Draw different departments together to work effectively.
* Recognise key issues and focus Company attention on them.
* Be able to formulate alternative solutions to problems.
* Be aware of implications of Company activity.
* Leadership and delegation.
* Be willing to accept responsibility.
* Be able to command respect and exert authority.
* Be able to motivate people and develop team spirit.
* Be diplomatic, able to handle people sensitively and tactfully.
* Demonstrate fairness and strength, especially where conflict is apparent.