



Facilitation FOCUS

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THE PARADIGM SHIFT

[Wikipedia The Paradigm Shift](https://en.wikipedia.org/wiki/Paradigm_shift)

Big Trouble For Small Business



“In the four years between June 2019 and June 2023, 35 per cent of all Australian businesses closed their doors for good.” ([ABC August 2023](#))

Business failure rate reaches 15-year high, National Retail Association calls for government action. More than 15 per cent of Australian businesses failed in the past 12 months, the worst rate since the global financial crisis (GFC). [ABC August 2023](#) And new data from the [Australian Bureau of Statistics](#) (ABS) shows half the businesses that started in 2019 were permanently closed by June 2023.

The transport, postal and warehousing industry was the most vulnerable, with 64.4 per cent of businesses that opened in 2019 no longer in existence by June 2023.

According to the latest data, up to 90% of startups fail. Across almost all industries, the average failure rate for year one is 10% However, in years two through five, a staggering 70% of new businesses will fail. Approximately **10%** of startups fail within the first year, and the startup failure rate increases over time, and the most significant percentage of businesses that fail are younger than 10 years.

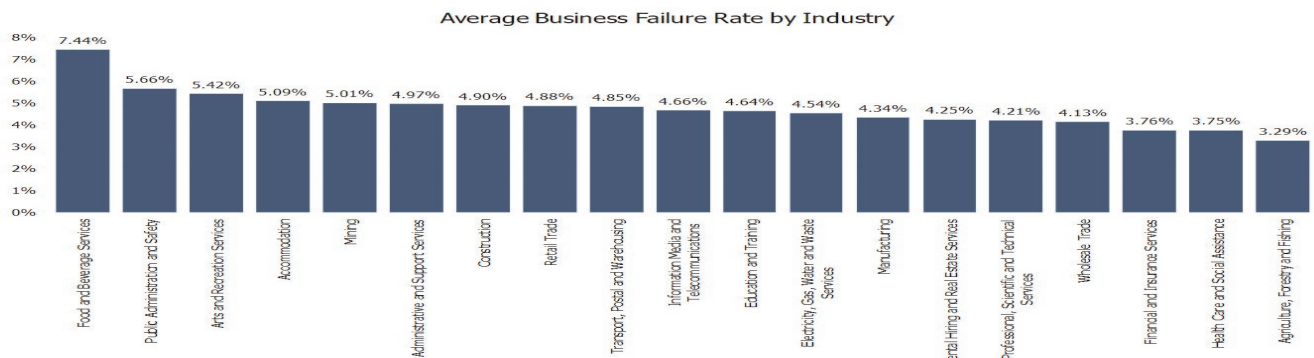
Over the long run, 90% of startups fail. In other words, only one in 10 traditional businesses in the startup category ultimately survive. Business failure rates have remained more or less consistent since the 1990s across most industries. Small businesses were significantly more at risk of collapse than large businesses, with the "survival rate" for new sole proprietors hovering at 41.5 per cent.



The "exit rate" for businesses in the 2022/23 financial year was 15 per cent — the highest it's been since the 2008 GFC. Queensland University of Technology business [professor Gary Mortimer](#) said many "Zombie businesses" propped up by [JobKeeper](#) during the COVID pandemic have now been struggling to stay afloat. Professor Mortimer said small businesses were "falling by the wayside" amid a hostile post-Covid environment.

Industry has also been targeted, with **Transportation, Construction, and Warehousing** have the worst failure rates with almost 40% going into liquidation between June 2019 and June 2023. After transportation, construction and warehousing, the other industries with the highest failure rates in the same years are: Mining, quarrying, and oil and gas extraction: 24.4%.

Business Failure Rate by Industry



Data Sources: CreditorWatch RiskScore Credit Rating average Business Failure Rate by Industry

According to data from debt monitoring firm [CreditorWatch](#), more Australian businesses are now in the hands of external administrators than ever before, rising more than 22 per cent since this time last year..... The pain is coming from all sides.

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Construction firms are reeling from a crackdown by the [Australian Tax Office](#), registering the most tax defaults, while also still facing rising building material costs and skilled labour shortages.

CreditorWatch finds smaller sub-contractor businesses in the residential sector are most at risk in the construction industry. However, overall it is businesses in the food and beverage industries that are the most at risk of failure.



CreditorWatch chief executive [Patrick Coghlan](#) says businesses under pressure from higher costs are being starved of revenue from consumers battling with cost-of-living pressures.

"Most businesses, particularly those that are consumer facing, and therefore exposed to the vagaries of discretionary spending, are being hit by a range of heavy impacts," he said. *"We don't expect business conditions to improve markedly until consumer spending increases, and that is dependent on interest rate relief, which is not even on the horizon at this point given the high rates of inflation in the US"*

It also appears that the failure rate of business startups has dramatically increased over the past 4 years. According to a recent study by the [University of Technology, Sydney](#), commonly cited reasons for business failure are, in order of frequency: financial mismanagement, bad management, poor record-keeping, sales and marketing problems, staffing problems, failure to seek external advice, general economic conditions and personal factors.

[The Reserve Bank of Australia](#) indicates that firms in the industries hardest hit by the pandemic, such as accommodation and food services and arts and recreation services, tended to have smaller cash buffers, making them more vulnerable to a sharp decline in their revenues.

Due to the latest spike in COVID-19 cases throughout the country, the proportion of businesses who reported being impacted a great deal by COVID-19 increased to 23%, the highest rate recorded since September 2020 (35%)

"The most common impact of COVID-19 was a decrease in demand for a businesses' products and services, with over two thirds (68%) of businesses that were impacted by COVID-19 having experienced lower demand." [The National Skills Commission](#).

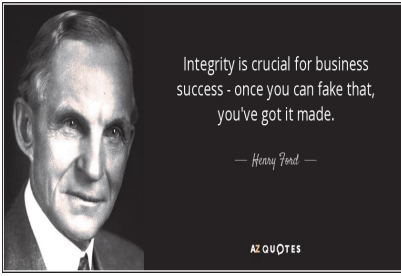
[Fortune's](#) recent topical heading states that after years of struggling through COVID-related supply disruptions, inflation hiring difficulties, rising borrowing costs, and even a surge in retail theft, new data suggests that the mood of many small business owners is hitting rock bottom.

"Small business in pain weighs on economy" is a recent headline in [The Australian](#) stating that the number of business failures in the nine months to March are at the same level they were for the 12 months to July as far back as 2018 and the signs of improvement are far from positive.



In the [AIBEF's](#) most recent survey, which was conducted in January this year, many small businesses say that they are constantly struggling with the effects of inflation, the growing prices of materials and stock, supermarket costs, house repayments and interest rates, and a continuing labor shortage . And some are pointing to a weakening consumer spend as another reason to feel less optimistic.

However, almost half of the businesses surveyed showed some optimism and thought that once prices across the board become more stable and steady, they can turn their focus back to running their business.



INTEGRITY IN BUSINESS

“In looking for people to hire, you look for three qualities: integrity, intelligence, and energy. And if they don't have the first, the other two will kill you.” [Warren Buffet](#).

“The greatness of a man is not in how much wealth he acquires, but in his integrity and his ability to affect those around him positively.” [Bob Marley](#).

Integrity, is the fundamental defining character trait an entrepreneur or business owner should be seeking when hiring all new employees.

Integrity, is the fundamental defining character trait business leaders and managers should be developing and escalating in all existing employees.

When Integrity is absent or diminished an employee's behaviour is counter to the Business Plan and destructive. When Integrity is absent or diminished in the Leaders, Managers and Supervisors of a Business, this becomes potentially catastrophic.

When Integrity is absent or diminished, workplace harassment behaviours (as described in a previous aibef publication) are an obvious negative outcome. When Integrity is absent or diminished, behaviour is conducted in the self-interest of that employee and is counter to the Business Plan.

When Integrity is absent or diminished, behaviours that are counter to the Business Plan reduce productivity and additional resources are required to be employed to offset their effect.

This adversely impacts upon interpersonal relationships within the Business and the profitability of the Business. Integrity is eroded and diminished when Leaders, Managers, Supervisors and Employees “walk past” this negative activity, failing to acknowledge and address it.

Why would people not act with integrity?

Well, it's usually selfishness and acting for their own gain. People lacking integrity may exploit or manipulate people and situations, or engage in unethical practices.

This is because they aren't committed to what's fair, moral, nor are they considering the well-being of others. They may pretend that they are, but spend enough time with someone like this and you'll soon find that it's really all about them, not your Business.

The following three character traits forms the Dark Triad and demonstrate a lack of Integrity:

- **Narcissistic:** Is a personality disorder, and is a mental health condition in which people have an unreasonably high sense of their own importance. They need and seek too much attention and want people to admire them. People with this disorder may lack the ability to understand or care about the feelings of others.
- **Sociopathic:** Is an antisocial personality disorder, and is a mental health condition in which a person consistently shows no regard for right and wrong and ignores the rights and feelings of others.
- **Machiavellian:** Is a personality trait that denotes cunningness, the ability to be manipulative, and a drive to use whatever means necessary to gain power.

We all have these character traits to some extent.

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These character traits only become a problem when they are excessive and prevent the employee from behaving with the level of Integrity required by their employment contract with the Business.

Interestingly Business's can promote people with excessive levels of these character traits to the highest levels of business on the Board or as CEO. Society can promote or elect people with excessive levels of these character traits to the highest levels of office as Prime Minister or President.

Is it their perceived charisma or performance that fools us? Interestingly excessive levels of these character traits are evidenced in workplace harassment and other anti-social behaviours.

Business's must review all Leaders, Managers, Supervisors and Employees that display substandard Integrity and excessive levels of Narcissistic, Sociopathic and Machiavellian behaviours, and release them from their employment contract as soon as practicable.

Consider a group of Business's that maintain and share their register of the people that they have released from an employment contract due to substandard Integrity and excessive levels of Narcissistic, Sociopathic and Machiavellian behaviour. Like the Tenant register maintained by Real Estate agents.

Would this register be helpful in Business to hold people to account for their anti-social behaviours in the workplace? Would this register be helpful in Society to prevent people from entering into relationships with these people and being robbed, injured or killed due to their behaviour?

Traits of successful people, that you want in your Business:

- Leadership
- Self-confidence
- Aspiration
- Drive
- Patience
- Discipline
- Communication
- Willingness to learn.
- Responsibility
- Self-reliance
- Optimism
- Passion
- Creativity
- Resilience



*“Business integrity is **the act of conducting business practices by following a moral and ethical framework.** As with personal integrity, business integrity requires you to act with honesty and consistency and to hold yourself accountable for your actions, even when nobody's watching.” [Indeed](#)*

As with personal integrity, business integrity requires you to act with honesty and consistency and to hold yourself accountable for your actions, even when nobody's watching. Business integrity builds on your personal [code of ethics](#) and allows you to exhibit professionalism in the workplace.



What Is A Paradigm Shift?

It was less than six months ago that I presented at a seminar in New Zealand which focused on the paradigm shift in business models which are now almost a feature of everyday life.

The main theme that came across was the fact that there is no such thing as the “typical business” any more.

Naturally, the question was asked (and argued) by a number of the seminar participants: “What is a paradigm shift in business?” and it was explained thus: *A **paradigm shift** occurs whenever there's a significant change in the way an individual or a group perceive something, and the old paradigm is replaced by a new way of thinking, or a new belief.*

Individuals have their own paradigms, or lenses through which they view the world. Small business, corporations, community enterprises and other organizations also have paradigms regarding the methods by which they believe their goals will best be accomplished.

As a Business and/or Enterprise Facilitator we are confronted with this dilemma almost daily; and it is imperative that we need to take on the role of a *Transformational Coach* in order to empower our clients to shift their current paradigm to make way for what is desired.

[The Paradigm Shifts Coaching Group](#) describes it like this: *“A coach is an expert empowering people and organizations at strengthening commitments to their Vision. From these commitments come actions that produce powerful results. A transformational coach adds a unique dimension to coaching in that they are masterful at assisting you in revealing the very core interpretations and beliefs that support each and every aspect of your life remaining **unfulfilled.**”*

Theoretically, individuals who enable, empower or implement change are called coaches, consultants, leaders, managers, navigators and facilitators.



[Steve Denning](#), international guru in leadership and management believes that a discontinuous paradigm shift in management is happening. *“The most valuable and the fastest growing firms today are being managed very differently from average performing firms. The shift is being driven by practitioners, and average firms are still catching up. In 2024, it’s time to follow [Peter Drucker’s 1997 advice](#) and “look out the window and see what’s visible—but not yet seen.” A [paradigm shift](#) in management has occurred. The new way of managing embodies at least five big shifts.”*

It’s a shift from a firm-centric view of the world in which the firm’s purpose is to make money for its shareholders, to a customer-centric view of the world in which the purpose of the firm is to add value for customers. The shift in management is a shift from *shareholder capitalism* in which the firm revolves around the manager to a *customer capitalism* in which the firm revolves around the customer.



[Dr. Soha Emam](#) concluded by saying “Coaching is a powerful tool for personal and professional development, offering guidance, support, and accountability to individuals seeking positive change. By dispelling the myths surrounding coaching and understanding its true nature, we can fully embrace the transformative benefits it provides.”

Whether you're an executive striving for success, an entrepreneur seeking clarity, or an individual looking to unlock your full potential, coaching can be a catalyst for growth, empowerment, and achievement. So, take a step forward, explore coaching, and embark on a journey of self.

WHY MANAGERS SHOULD INVOLVE THEIR TEAM IN THE DECISION-MAKING PROCESS

Most businesses don't involve their teams in decision building, they go about their plans without communicating with the people at the coalface of their business.



In an article authored by [Lauren Landry](#) - *Director of Marketing and Communications for Harvard Business School Online*- she has said that Decision-Making is a critical component of every manager's day-to-day. Whether reshuffling the department's budget, [delegating tasks](#), or [implementing a new strategy](#), the daily choices managers make have a direct impact on their organization's success.

[Lauren Landry](#)

But that [decision-making process](#) isn't always easy. In [a survey by management consulting firm McKinsey](#), only 28 percent of executives touted the quality of their company's strategic decisions, while 60 percent reported that bad decisions are about as frequent as good ones.

The role of a team in Decision-Making

One way to increase your likelihood of success is to include your team in the process. [Research shows](#) that diversity leads to better decision-making. By bringing people into the conversation with different disciplinary and cultural backgrounds, you can enhance creativity and gain a fresh perspective on the task or problem at hand.



[Prof. Len Schlesinger](#)

"Map out the technical, political, and cultural underpinnings of the decision that needs to be made and then build your group accordingly," says Harvard Business School [Professor Len Schlesinger](#), who's featured in the online course [Management Essentials](#). "You're looking for a broad array of experience. You want some newcomers who are going to provide a different point of view, as well as people who have profound knowledge and deep experience with the problem."

Some managers might shy away from integrating their team into the process to avoid additional complexity or a potential clash of opinions. Yet the ideas that could come out of that dialogue are often far more valuable and critical to business success. Here's a closer look at how successful team decision-making can benefit your organization.

Improving the Decision-Making

Involving your team in the decision-making process can benefit your entire organization. The quality of the decisions made will improve because you'll have the right mix of skills and expertise at the table, but you'll also have the people in place who are prepared, and in sync on what, to implement.



Teams bring diverse perspectives and ideas, leading to better decisions overall. Team-led decision-making also shows that you trust your employees, which leads to increased commitment and loyalty.

Your team is at the heart of your business. They're usually the ones that are dealing with your customers on a daily basis as well as knowing how internal processes work like the back of their hand. They know what customers really think of your products and services and they will undoubtedly have their own opinions on many areas of the business and it's processes.



Australasian Institute of Business and Enterprise Facilitators

Established 1997

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MEMBER

JOIN TODAY!

MEET SOME OF OUR MEMBERS



Betty Zsoldos Master of Facilitation
MAIBEF



Carol Hanlon MAIBEF



Christine Vanhor Fellow MAIBEF



Andrew Csaszar Assoc. AIBEF



"Pip" Scott-Allen MAIBEF



Dennis Chiron MAIBEF



John Cannon MAIBEF



Jaya Ramanathan MAIBEF



Kerry Hallett MAIBEF



Dr Tim Baker Assoc. AIBEF



Troy White MAIBEF

Become a Member Join us Today

Are you a Business Mentor, Trainer, Coach or Facilitator? Are you a professional, and knowledgeable in your field? The Australian Institute of Business and Enterprise Facilitators Inc (AIBEF) is in the process of updating and modernising our web site, and we are placing a lot more emphasis on promoting our members to the world.

If you are experienced and skilled in your field, and you are not a member of the AIBEF, you might consider that now would be a good time to become a member and profile yourself/your business amongst highly respected and accredited Business Consultants under the banner of the AIBEF.

Provided you meet our requirements, an annual Membership fee of **\$49.00** entitles you to a Certificate of Membership and approval to use the post nominals of the Institute **MAIBEF**; You will also receive our monthly publication "**FOCUS**"; **PLUS** your photo, profile and bio portrayed on our **Website on your own Personal Page** providing direct access for potential clients to contact you through this portal;

Download an Application Form www.aibef.org.au

Certified Master Business and Enterprise Facilitator



The title **Certified Master Business and Enterprise Facilitator** is the hallmark of excellence in Business and Enterprise Facilitation.

It illustrates to the world, that you are the consummate professional, and that you have achieved the premier National qualification and certification available to professionals in the industry.

The assessment process evaluates your skills and knowledge and your overall competencies, and once obtained, this certification will set you apart from all other facilitators.

This certification will illustrate to your clients your exceptional competence, and they will know that you will provide integrity, skills, knowledge and trust in all your business and enterprise relations.

If you are already a member or Associate member of the **Australasian Institute of Business and Enterprise Facilitators Inc. (AIBEF)**, it is acknowledged that you already have all of the skills and competencies required.

However, by undertaking this **Certified Master Business and Enterprise Facilitator** program, you can not only proudly display to the world that you are a Master in your role and in your industry, but it will entitle you to use the post nominals *MBEF (Certified)*.

This title truly reflects the role of a Business and Enterprise Facilitator who not only is the complete and total professional in their industry, but one who also applies knowledge, practical skills and experience in leadership and management across a range of enterprise and industry contexts.

Facilitators at this level display initiative and judgement in planning, organising, implementing and monitoring their own workload and the workload of others. They use solid communication skills to support both their clients and their own teams to meet goals and organisational or enterprise requirements.

For an Information Pack please email info@aibef.org.au



AIBEF Code of Conduct

All AIBEF members are obliged to maintain professional standards and ensure the legitimate interests of their clients are paramount. They must ensure that any conflicts of interests are avoided and confidentiality maintained. Members are required to adhere to the highest standards of facilitation, advice, referral, information provision, support and client care through undertaking ongoing professional development

The Process of Becoming an AIBEF Accredited Facilitator

To be an accredited Member of AIBEF, simply submit your application to the AIBEF Secretariat.

The AIBEF Accreditation Committee then assesses your experience and qualifications and will advise you of the Institute's decision.

Often this decision is partly based on Recognition of Prior Learning (RPL) where the Committee takes into account the equivalent experience of the candidate. The new AIBEF Member is then provided with a certificate of Membership and is invited to have their name listed on the Institute's website, and can immediately use the post nominal *M.A.I.B.E.F.* after their name.

Whether it is a concern about business start-up or growth, a marketing issue, HR or financial issue, a member of the AIBEF can provide effective guidance and support to entrepreneurs, business owners, communities or organisations.

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About the Institute

Benefits of Membership Some benefits include:

Recognition of the professional qualifications of Member of the Institute of Business and Enterprise Facilitators (MAIBEF) and Fellow of the Institute of Business and Enterprise Facilitators (FAIBEF) in Australia and New Zealand.

The ability to use the post-nominals, MAIBEF and FAIBEF in promoting their activities and achieve:

- credibility/validation as an enterprise and business facilitator
- a premium for services
- client confidence and direct benefits to their business secure and regular employment/use as a business facilitator and enhanced market/business opportunities

Personal confidence and increasing business:

- through business support organisations including training providers and centres increasingly requiring counsellors/advisers to be professionally trained and experienced facilitators
- achieved through the formal recognition of practitioner skills
- by becoming preferred contractors.

The sharing of knowledge and skills and growth of new business through:

- peer networking and interchange of ideas with other



Members and Fellows

- peer mentoring of other Members and potential Members
- enabling contacts (formal and informal) with peer organisations and alliances

Regular electronic Newsletters and communications that:

- disseminate news of major developments in the business support industry
- notify Members of relevant conferences and events
- keep Members up to date with current issues
- notify Members about opportunities in professional development

Development of business facilitation skills and knowledge through the provision of:

- notification of opportunities to participate in ongoing targeted and specific professional development
- access to professional development in recommended training courses
- the best and most up to date information on business and training/facilitation.

Representation to others (government and non-government) on Members behalf on issues affecting business facilitation.



A.I.B.E.F. Established 24 years

Web: www.aibef.org.au

Email: info@aibef.org.au



The Australasian Institute of Business and Enterprise Facilitators (AIBEF) was founded in 1997 as a result of the recommendations of the Industry Task Force on Leadership and Management Skills.

In their report, entitled *Enterprising Nation*, the taskforce recommended that: “... a comprehensive accreditation process be established for small business trainers, educators, counsellors, facilitators and advisers so as to upgrade the quality of small business advice.”

It's a fact that, at the moment, the business advice industry in Australia is self-regulated, and virtually anyone can call themselves a business or enterprise facilitator, advisor, coach, facilitator, trainer or consultant.

Check out Google for instance; there must be a dozen (or more) sites on “*How To Start Your Own Business Consulting Venture*”.

The AIBEF is the Peak Body for Business Facilitators, Coaches and Trainers, and we, the AIBEF Committee, hope to continue the association's great work to further promote the professionalism and quality of our members, and to endeavour to act as a respected voice and advocate for the wider community.

The AIBEF represents a profession that is proud of its independence and confident of the service it provides, committed to continual improvement in the skills and knowledge of our members and Business and Enterprise Facilitators in general, who ably assist in the professional guidance and support of business, enterprise and community development.



Welcome to our Newsletter

Facilitation Focus is an opportunity for Business Facilitators, Coaches, Facilitators, Trainers and Consultants to ask questions, offer answers, and become part of a group where we can all join in peer-to-peer discussions and conversations about challenges, experiences and outcomes. **It is also worth noting that ‘Focus’ can be included in your Continuing Professional Development (CPD)**

Facilitation Focus is a publication for a rapidly changing world.

Almost daily, SME's are facing constant changes, and it is vital that the Business and Enterprise Facilitator is current with their expert advice and guidance.

Facilitation Focus has as its main aim to access to a professional network of peers through the AIBEF, and by gaining more insight into business and industry best practices, as well as increasing the focus on the important aspects of their own business, an AIBEF Focus member can accomplish amazing results.



Something To Say?

Thanks for the Info

Just a note to thank you for the helpful information contained in your magazine. I'm a client of one of your members, who sends your magazine onto me. I find it easy to read and some of the ideas in the numerous articles are very useful and valuable.

*Peter Haley
Solar For Life
Coffs Harbour, NSW*

WHO ARE BUSINESS OR ENTERPRISE FACILITATORS?

Virtually any professional, qualified person or organisation involved in assisting entrepreneurs, organisations, or communities to improve their Skills; Knowledge; Business; Staff; and/or Life.

The role of a Business and Enterprise Facilitator is to promote local economic growth by providing support to local entrepreneurs, groups or entire communities wishing to start or expand a small business enterprise or to assist to develop a project where the community will benefit

The concept of Business and Enterprise Facilitation is a model of development that supports the creation of wealth from within a community by nurturing the resourcefulness of its people.

The Australasian Institute of Business and Enterprise Facilitators is an international not-for-profit institution that works with entrepreneurs, small groups and / or communities to establish sustainable, grassroots enterprise projects.

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