

Look at obvious before you start

BY CHRIS HUNT, of

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IN last month's article we explored when is the right time to start a business. For those of you who have now embarked on that journey or are about to take the leap, I salute you.

VAT statistics on the number of businesses that register and de-register for VAT each year are roughly the same. Therefore, it may be fair to interpret this as, roughly the same number of businesses start up as fail each year.

Unless you intend to be a not-for-profit organisation, business is about making money. You should create your business with the express mindset of selling it. Many don't, and in reality become employees of their own business or worse still, they are the business.

Entrepreneurship is normally seen around an individual, but in most cases, it's about building a good team around you and playing off each others' strengths. Stamina and sheer determi-

nation are notable qualities. Without a doubt, there will be rocky times when the colour of fear may well be brown, as there is often a correlation between risk and reward.

Business and enterprise is a process. Entrepreneurs are not inventors, they are good at delivering the process of enterprise. They learn from the experience of others and have a plan. They also consider the obvious – Sutton's Law from last month's article.

Napoleon's Grand Armee consisted of approximately 500,000 men. When Napoleon crossed the Berezina River in his retreat from Moscow, he merely had 27,000 fit soldiers. Some 100,000 men had been captured and 380,000 souls had perished, mainly from the weather and lack of food, not battle. Some accused Napoleon of failing to plan for the Russian winter.

Cash to a business is like food to an army – you can't survive without it. Your plan should tell you how much cash you will need and when. This has never been as important as it is today. With reduced bank lending and liquidity in the market,

you need to ensure you will not run out of cash. Many well-known profitable businesses have failed by not having the cash flow to meet their debts as they fall due.

Don't undertake all the roles, build a team – they don't have to be full-time or even employees of the business. Get your key people on board from day one. A proactive, knowledgeable accountant can add years of experience to your business. Outsource your mundane tasks, like payroll and book-keeping (putting the right numbers in the right box). Please don't confuse the role of a book-keeper with an accountant. And remember to concentrate solely on what you do best.

If you have shareholders, get a lawyer to draft a simple shareholder agreement. Tasks, such as these, dealt with in the formative period, will save you a lot of time and money in the long term. These simple steps set the foundations for a solid business.

When considering your funding options don't overlook the Enterprise Investment Scheme which is available to a wide range of companies. It's simpler to list the excluded activities (such as most dealing

operations, banking, leasing, legal, and accounting services), as are those businesses considered to be 'asset backed' (farming, forestry, property development, hotels, and nursing homes). The investors in your business can get 30 per cent income tax relief up front and longer term income and capital benefits.

The three things to remember once in business are cash, cash, cash...

You may well say that your business is an internet business and therefore, this is an all-new frontier where the old rules don't apply. Wrong – they do. There is no doubt that the internet provides a compelling business model – low start-up costs, long opening hours, the ability to test your ideas, scale your business and compete with well-established businesses.

The fundamentals of planning, getting the right people to do the right things at the right time, having the right network of advisors and enough CASH will give you and your business the best chance of getting through those statistical nightmare first three years.



Have your team in place from the planning stage if you want to succeed, says Chris Hunt.

Pair chalk up new venture in training

TWO education consultants driven by a desire to provide high quality bespoke training have together set up in business.

Ann Kirk, who lives in Grimsby, and Jill Tatler, from Healing, have launched Edutraining, which offers training in Foundation Stage and Key Stage One for a wide range of practitioners based in schools, school nurseries, pre-schools, and children's centres.

Both women have many years of experience in education, particularly in the 0-7 age range.

As Ann said: "We are looking at bespoke training, as individual needs differ."

Ann started her career as an 'articled teacher' for two years at Queen Mary Avenue School, Grimsby. She later moved on to Great Coates village nursery.

She is a specialist in early years teaching and worked as a lecturer in Early Childhood Studies at Grimsby Institute. Recently she was employed as an early years consultant for North East Lincolnshire Council until deciding in the summer to venture into her

own business with Jill.

She said: "I enjoyed all aspects of my job but particularly the training and decided to explore this particular sphere a little further."

Ann has been married for 33 years and has two grown-up children and two grandchildren.

Jill began her teaching career in North-West London and has a great deal of experience across all age ranges in Lincolnshire and Nottinghamshire.

At the end of this August, Jill bade farewell to her three-year stint as a communication, language and literacy development consultant with North East Lincolnshire Council.

She has been married for 35 years and has two children and two grandchildren.

She said: "Ann and I have similar backgrounds but different strengths. We feel that our combined talents and knowledge complement each other. We enjoy working with each other, we have a great rapport."

She emphasised the bespoke nature of their training, saying: "We

will plan and train jointly and individually, tailoring it to the practitioners' needs."

Of their particular strengths, Jill said: "The teaching experience has come from working in schools, but our training and knowledge of child development has been procured from a range of experiences."

Emphasising their flexibility, Ann said: "We are prepared to travel to other authorities including the North Bank and further."

Jill said: "We would happily visit schools and settings in other localities to support and develop our practice."

In their new company, Ann and Jill are grateful for advice from business support organisation e-Factor, based in Grimsby.

Ann said: "E-factor encouraged us to write a detailed plan to support the successful development of Edutraining."

Jill can be contacted on 07986 079892 or via email at jill.tatler@ntlworld.com while Ann can be reached by phone on 07751 454344 or by emailing her at ann.kirk2@virginmedia.com



Business partners Ann Kirk (left) and Jill Tatler are offering training in the education field.

Scheme will help to pay wages

NORTH East Lincolnshire Council is offering to pay local small businesses half the salary of newly hired staff.

North East Lincolnshire Council is spending £1.7-million subsidising wages in a bid to boost employment in the area.

Called the Changeworks scheme, it aims to create up to 350 jobs using a central Government grant for deprived areas.

Despite the funding only lasting for 12 months the council claims the initiative "will create long-term sustainable jobs."

One person to benefit from the campaign is Sam Gibbs, from Grimsby. The mother-of-four was on benefits for a number of years before being taken on by a wedding decorations company.

As well as the financial benefit, Ms Gibbs said starting work had helped improve her self-esteem.

She said: "It's hard being on benefits and not having money and not being able to do the things you want to do. But, it's a lot easier now."

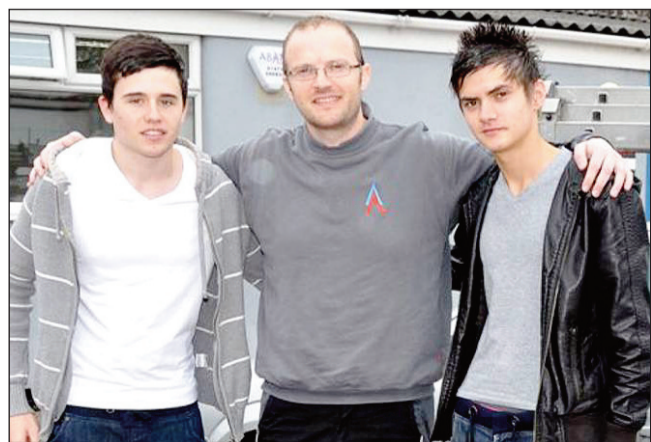
"It's made me feel a lot more confident and it's given me an identity back. I'm not just a mum, I can actually be Sam and it's really improved my life."

Currently 28 local businesses have signed up for the scheme. Firms have to have been operating for at least six months and have fewer than 250 employees.

The Labour leader of North East Lincolnshire Council, Cllr Chris Shaw, said he was convinced the newly created posts would continue after the funding ended.

"If we thought it was just a short-term solution we wouldn't be doing it. This will create long-term sustainable jobs for residents."

Chris hands lads big opportunity



Chris Stephenson welcomes new apprentices Tom Bayes (left) and Aiden Rutland to the company.

TWO young North East Lincolnshire lads have just been handed a golden employment opportunity.

Chris Stephenson, owner of Abatis Fire & Security Ltd in Grimsby has decided to offer teenagers Aiden Rutland and Tom Bayes a full apprenticeship. They start later this month.

One of them had made dozens of unsuccessful applications for a job before Abatis came along.

Chris said that despite high unemployment he had problems recruiting suitably skilled people.

"Surprising as it may seem, there are just not the skills out there," he added. "So I decided to train people up ourselves, although we have always had an apprentice on our books."

Tom and Aiden will undertake a mix of practice, training and college tuition to attain the high standards set down by Abatis.

Chris, who has always believed in investing in training, said: "I had over 40 applications for the two posts. There are a lot of good young lads out there looking for work, and I would like to see other employers in the area do the same."

He started Abatis in 2003, determined to build a company that holds quality at the top of its agenda.

The company, which operates throughout Lincolnshire and beyond, specialises in fitting intruder alarms, CCTV systems, fire alarm systems, access control and other security apparatus.

Chris himself has had over 20 years experience in the industry, working in schools, hospitals, airports and homes.

He said: "I believe our workmanship is unrivalled by our peers. We view what we do as a work of art, and try to give an aesthetically pleasing system, as well as an efficient one designed with individual requirements in mind."

Based at the Pyewipe Business Centre on the South Humberside Industrial Estate, the company has a staff of nine and holds a number of quality certificates including the Government endorsed Standards Trustmark and the National Security Systems Inspectorate silver standard.