Reboot Your Business

Second edition

STEPHEN SACKS

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What Clients Say About Working With Stephen

"Stephen is one of those rare people that can inspire and help get the best out of you.

I have found him to be an honest and trustworthy individual who I can rely upon at all times.

I like bouncing ideas off him as he is a highly professional and open-minded person with an exceptional depth of knowledge in business solutions.

I have the pleasure of working with Stephen on a joint venture project and I am looking forward to our ongoing business adventures."

Michele Yianni - Director - Kyle Macy Property Solutions Limited

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"Stephen provides inspiration to many businesses. He is insightful and energetic. He questions deeply, identifies issues and then insists on massive action in order to move his clients on. I know that there are a number of businesses that would have folded without his lead that not only turned the corner but in fact went on to much success. If Reboot Your Business *creates only 1% of the value that Stephen does with his clients one-to-one that will offer readers a multi-fold return on their investment in purchasing it."*

Rupert Honywood - MD - Integrated Marketing Bureau

"I have known Stephen for many years and am always amazed by his business acumen and ability to reinvent himself in business. Someone I truly look up to and follow as best as I can!"

Jason Conway - MD - Ameris Ltd

"As founder of The Supper Club I have had, over its 15-year history, the good fortune to meet and learn from some of Britain's greatest entrepreneurial talent: Stephen is one of those amazing businessmen. Home to nearly 500 of Britain's most successful 'scale-up' founders and CEOs, the Club's members are committed to helping each other grow personally as well as commercially. As a long standing member, over ten years, Stephen absolutely personifies the Club's values and its key principal of 'Give and Get'. His wealth of experience as leader of a number of successful businesses means he's been able to help dozens of others with timely advice and inspiration over the years. I am absolutely delighted that Stephen is now able to share this wealth of experience with a far wider audience and that I have a chance to thank him more publicly."

Duncan Cheatle - Founder & Chairman - The Supper Club

"Only entrepreneurs truly understand entrepreneurs. That's why, as an entrepreneur, I appreciate having Stephen as an advisor. He is smart and savvy. He is a problem identifier and solver. He is relentless in pursuing the goals he agrees he will deliver with his clients. He remains loyal to the vision and the belief. He challenges and probes – but always with a win outcome. It's tough and lonely being an entrepreneur and it's important to surround yourself with the right people. Stephen is someone I am proud to have in my squad."

David CM Carter - Founder & Chairman - Entelechy Academy

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*“Stephen, or ‘Poker Face’ as I affectionately refer to him, is not a man to pull any punches and he doesn’t have a calling in international diplomacy, but he most certainly is someone you want on your team. Clear-thinking, straight-talking and fairly funny to boot, Stephen identifies areas where a slightly different approach may unlock cash in your business, improve your profitability and put you on a completely fresh trajectory. It is, quite simply, the difference between working *on* your business instead of working *in* your business.”*

Oliver Codrington - CEO - London Wellness Centre Limited

“The thing about Stephen is his immediate intuition of the right thing to do, the best way to do it and his no-nonsense approach to helping you get it done. Well worth the time of day!”

William Gets - MD - Brainstorm Marketing

“I have been working very successfully with Stephen for a number of years, although I knew of his wonderful reputation many years before that.

He is incredibly knowledgeable about the business world, is clear and appropriate with advice, knows what good looks like and I, and our company, Catax, have benefited hugely, as have his clients, through the warm introductions he has provided.”

Richard Armstrong – Director - Catax

TESTIMONIALS

"I have known Stephen Sacks for several years and have always found his insight into the SME marketplace to be well-founded and helpful in evaluating business and its funding requirements. His business network is established and able to transact successfully through his extensive commercial experience and evaluation of business opportunities. I would recommend Stephen to SMEs and Start-Ups and suggest they be part of his expanding business network."

Alan Judd FCA - CEO, SME - Financial Advisors Limited

"I approached Stephen Sacks to help facilitate the part sale of our business. Our requirements were unusual in that we wanted to find a partner/investor who would understand our culture and fit into that rather than just a buyout deal. Stephen understands our requirements and personalities and found a win-win solution. We now regard him as someone we trust and go to for advice, which is rare in the business world."

Imran Hassan - CEO - Lilly & Sid

Dedication

For my girls, Georgia, Juliette, Amelia and Josie and my beautiful wife, Harriet who inspire me every day.

And my parents, Wally and Gwenda - it's just a shame my dad is no longer around to read it!

Foreword

by Julian Birkinshaw, Professor and Deputy Dean,
London Business School

I’ve been working with, advising and researching small businesses for 25 years, and over this time I’ve figured out some important rules of thumb about what makes them tick – why some thrive while others stumble and fall.

It goes without saying that you need a high-energy entrepreneur to get a small business started. Tenacity and optimism are hugely important character traits, and being able to convey an exciting vision to others, so that they want to get involved, is also pretty central. It’s often said that entrepreneurship is the pursuit of opportunity beyond the resources you control – so knowing how to tap into those resources you need is a big piece of the puzzle.

Do you need to have a unique value proposition? Or to develop a piece of intellectual property that you alone have access to? These are great to have, but not essential. There are plenty of successful start-up companies that aren’t completely unique in how they are positioned or in what they sell. Such companies just find themselves a niche and work hard to keep others at bay.

And what about being single-minded in pursuit of a specific goal? We applaud James Dyson for his dogged determination in developing a bagless vacuum cleaner after 5,000 failed prototypes. But it turns out that being able to refocus and pivot, as we say these days, is just as important as sticking to an original vision. Most successful entrepreneurs shifted direction many times in their early years, especially those who were trying to create a growth business rather than occupy a small niche. From Richard Branson to Elon Musk to Mark Zuckerberg: all of them had their share of failures and false starts.

These observations provide a framing for *Reboot Your Business* in a couple of ways: first, Stephen Sacks is your quintessential entrepreneur. He has built and run more businesses than I can count. He's had his share of setbacks. He's shown huge resilience and tenacity. He knows more about the ups and downs of the small businessperson than anyone else I know. His insights and words of wisdom are well worth listening to.

Second, if you want to grow and to push your business in a new direction, you need some fresh thinking. That's what this book provides: not just great examples of businesses Stephen has founded or worked with; and not just his reflections on the difficult challenges you face in developing your business further; but really practical advice as well, about sources of funding, tax credit schemes, agencies that can help you, and so on.

No business book will ever give you *the* answer to where your next growth opportunity will come from. By definition, that's your problem to solve and it's unique to the market you're working in and your personal circumstances. Instead, this book gives you lots of answers – insights that will spark new opportunities, lessons from experience, and frameworks that will help you organise your thoughts. The rest is up to you.

A Note From The Author

So much has happened to me since I first wrote *Reboot Your Business*, much of it as a result of the catalyst impact of becoming an author. The biggest change is that Funding Nav, which was just me back in 2018, is now a team of 15, including ten partners. Our capacity therefore is somewhat larger than it was then.

Of course, the other major change is that the world has been impacted by Covid-19 and that has had an enormous and historic impact on all aspects of business and how it is funded.

This book is written in three sections. The first challenges the SME business owner to consider their venture through the changes that are impacting us all as progress gets faster and mediocrity gets left behind. The second is about how to raise cash. The final section is a week-by-week programme aimed at making incremental improvements. This book also includes online tools.

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Introduction

Dear SME owner,

Congratulations – you've already achieved more than most people ever do in their lives! Most people can only dream about the opportunity of running their own business but you are actually doing it.

Ideas are two-a-penny quite frankly, but that's where most concepts stay – as ideas. Very few see the light of day as businesses and most of those are stillborn on the kitchen table. If I had a pound for every person who tells me about what they want to start, could have started, did start but failed at, then I wouldn't be spending my time writing books on business and consulting with businesses. I'd be too busy spending all those pounds.

However, your achievement, impressive though it is, is statistically (and rather depressingly) probably fleeting at best. The fact is that the average business has less life in it than the average dog. Sadly, 80% of businesses fail within five years and of the 20% still standing, 80% of those statistically will fail in a further five years. As the more numerate amongst you will already have worked out, 20% of 20% is just 4% – yes, a measly 4% survive ten years. That's 96% failure. I mean, come on, these are precious entities that have tied up people's lives, cash and dreams for years and they are just dropping like flies. It seems crazy, doesn't it?

Why does it happen?

And how can you prevent it happening to your business?

These are the two questions that this book sets out to answer, and if you can't answer these two questions as a business owner, then you may be steering your own ship at the moment, but ultimately you will be steering it as effectively as Captain Edward John Smith steered his. And he managed to drive the Titanic into an iceberg. Interestingly, the activity of organising the deck chairs on the Titanic as a strategy to try to calm passengers and remove their focus from the lack of lifeboats, has become a famous metaphor for all activities with no real benefits. This is, however, the description that best sums up the groundhog-day way in which most leaders that I see are operating their ventures.

Generally, that's why Funding Nav get approached, because of the realisation that they are still running round the same hamster wheel. But guess what? Little Johnny has a new pet now and he doesn't really care about his hamster anymore. The chances are, of course, that little Johnny has actually discovered tech or social media and that explains the recent lack of activity in your hamster cage. Basically, the world has moved on and whatever strategies were working before just aren't working so well now.

In years gone by, of course, it was often enough that your great-great-great-grandfather had started a butcher's shop or suchlike in your local village back in the day, and that was handed down through the generations until it reached you. However, with the virtual exception of the Windsors, family business continuity doesn't really work so well these days. Actually, scratch that. Even the Windsors had to rebrand in 1917 from the Saxe- Coburgs, as German brands just weren't so popular in the UK at that time for some reason!

Generally in life, if you start out at something – like a sport, for example – you practise a lot, improve and get more competitive; you then start winning medals and ultimately have the opportunity to retire a champion. And that's how it used to be in business. But no more, alas.

Today, getting to the top of your game isn't very helpful since the 'game' and its rules are likely to change between the time you start and before you get to the top. In fact, getting to the top of your game can even be a decided disadvantage. It can blindside you to the external changes that are occurring that may make your whole business model redundant before you even get close to really monetising it.

I mean, who would want to be the leader today in camera film like Kodak, the leader in cathode ray TVs like Sony, the leader in mobile telephony like Nokia or the leader in mobile email like Blackberry? No one, of course, because virtually all these industries have been destroyed by one new industry – that of the smart phone!

The first Apple iPhone was released, amazingly enough, as recently as mid-2007, and that changed everything. Nowadays the ubiquitous ownership and total domination of people's time and lives by the smart phone has changed the way we all need to do business, and so have all the other industries that it has spawned: apps, streaming, e-commerce etc etc. All businesses need to uprate their business model to succeed in the age of the smart phone and in the age of faster and faster changing markets and demands.

Covid-19 has of course altered the world even more quickly than the smartphone. Since I wrote the first edition of this book in 2017 and 2018, virtually everything has changed in ways that were unimaginable at the time. Industries such as travel and hospitality have virtually collapsed whilst new industries, such as PPE, are thriving.

This book is designed to be both thought-provoking and practical. It's thought-provoking in the way that I have set out each chapter, asking interesting and probing questions – perhaps questions that you haven't asked yourself before (or have been afraid to ask). It's important that you answer these because, if you don't, then you'll be like all the other small business owners out there who don't get it and wonder why their business disappoints.

There are three sections. The first is a broad look at the opportunities and challenges of running a business in the twenty-first century. The second part is a guide to where the modern entrepreneur can find more capital that will both cushion the business from shocks as well as provide the money to launch new and hopefully relevant ideas onto the market; ideas that will keep the business prospering through ongoing trial and error. The third is a provoking, week-by-week plan that, if followed, will guide a business to make ongoing changes to the enterprise designed to progressively squeeze increasing efficiency that will, over time, revolutionise the results that the business produces. There is also space in this section for you to add your own notes as you consider how to implement the actions. etc.The book is practical because, not only have I included case studies that look at the various issues set out in each chapter, but there are also week-by-week action points for you to engage with, which hopefully ask and encourage you to answer some deep and probing questions, just as a mentor or a coach would. Some easy-to- complete worksheets are available online too, so filling these in will be simple and quick. Don't forget that it's only ACTION that gets results; if you decide not to engage with the action points, then don't expect anything different to happen.

Once you've thought about, planned and strategised a new type of business based on what you have today, I direct you to places where you can raise the capital you need from free sources. This is the primary difference between this book and almost every other business book you could choose. Not only do I help you to focus your internal resources on the areas that will profit you the most, I also advise you on how and where to raise the funds necessary to fulfill your plans, often without incurring either debt or additional shareholders.

In addition, as with the worksheets already mentioned, there are web-based tools readers can access that have been designed to complement the written material.

The intellectual property that differentiates Funding Nav from all other business consultancy concepts is the notion of 'free cash'. I try to be as helpful as possible here in assisting you to negotiate the free cash options available to you, but I also welcome email enquiries from readers direct at stephen.sacks@fundingnav.com. I can then consider your own business's position and advise you on an appropriate course of action. Normally we charge an absolute minimum of £2k per day for consulting or advising but, because you bought this book, there is absolutely no charge to you for contacting us with any questions that reading it raises. My goal is to help as many readers as possible achieve a high level of personal satisfaction and financial freedom from actioning the ideas featured. I would like in some small way to be a catalyst to your success!

The book is designed to be read from cover to cover, and then kept on your desk as a reference point for you to dip in and out of in the future. You'll also be able to revisit the resources which are available at www.fundingnav.com.

So, since you have invested some money and you are about to invest some of your time in reading this book, I would implore you to:

1. **Really think about some of the points that are made here.**
2. **Allow your ideas to develop.**
3. **Not be afraid of confronting the elephant in the room regardless of how painful that might seem at the outset.**
4. **Take soundings from people you trust who will be honest with you.**
5. **Take action.**

If you don’t agree with some of what I have to say, that’s fair enough and please feel free to send me feedback. But, honestly, this book cost literally millions of pounds in real-time research, through errors I’ve made or that others made before hitting on the right path – so excuse me if I take your feedback with a pinch of salt. What I’m actually much more interested in than your unsolicited point of view is your real-life experience in trying out some of the ideas and concepts set out here, and the improvement you were hopefully able to make as a result of reading and acting on what you read. I’m especially interested in examples where you can monetise the result as that’s what I’m really trying to achieve here:

Measurable, positive impact on my readers’ business outcomes and resultant improvement in their lives.

PART 1

The State of Play

1

Rules of the Game

Moore's Law has changed everything!

In 1965, which is coincidentally the same year that I was born, Gordon Moore, the co-founder of Intel, noticed that the number of transistors per square inch on integrated circuit boards was doubling every year since their invention, and consequently doubling computer power whilst halving the cost. He predicted that this trend would continue indefinitely. Whilst he wasn't quite right as the time taken to double expanded from 12 to 18 months, he was nonetheless almost right and has been continually proved right over the last half century.

The promise that software is eating the world is actually now a well-founded reality, and so every organisation is becoming a digital organisation. Technology is the primary line item on every business initiative's critical path. That means the enterprise is only as effective as its IT organisation. But there's a problem: these companies know that often traditional IT operating models aren't able to meet the demands of this changing clock speed.

What's behind this?

1. There is competitive pressure. Competition is coming from everywhere – not only from traditional competitors but from new entrants seemingly appearing out of nowhere. Who knew, ten years ago, that Amazon, an online book-seller, would one day become the industry heavyweight in cloud infrastructure?

2. There are more tools than ever that organisations can leverage to transform their businesses. With IoT, SaaS, big data, social, mobile, cloud and APIs ('big 7 technology drivers'), they have more innovation opportunities, more new product ideas, and more new channels they can take advantage of.

These technology drivers are forcing a dramatic acceleration in what businesses can and should do to remain competitive and relevant. How nimble and responsive should you be?

In August 2016, I took my family on a road trip from Houston, Texas across the USA. The first place we visited on the tour was the *NASA Christopher C. Kraft Jr. Mission Control Centre* in Houston. Building Number 30 contains the iconic control centre itself that was operational from 1965 until 1992. This room represented the peak of technical achievement when it was built and, whilst it obviously developed over the period of time that it was operational, it has now been restored to its original state. It looked a bit like an expanded flight deck from the USS Enterprise as seen in the original *Star Trek* series featuring William Shatner. This isn't really surprising as the series was shot at the same time in the late 1960s, and this thinking represented the absolute pinnacle of current technology.

Houston Mission Control is dominated by banks and banks of small cathode ray screens set into desks without keyboards or mice, but with a profusion of knobs and buttons. It looks so quaint today, and it is amazing that only 50 years ago the peak of man's space exploration achievements, including Apollo, Gemini and Sky Lab, was being run from a facility like this. The most amazing thing, which is a real example of the impact of Moore's Law, is that the overall size of the facility is vast, the majority of the space being taken up with three cavernous halls containing vast – and I really mean gargantuan – mainframe computers that supported this infrastructure. Today, a modern BMW that costs a few tens of thousands has more computing power under its bonnet as standard than this enormous organisation had at its disposal 50 years ago at a cost of billions.

Computing power that is doubling every 18 months to two years, whilst human intelligence remains static at best, means that whole industries will be born and will die in our lifetimes. When I was born in the 1960s, not only were the world's biggest businesses, Apple, Microsoft, Facebook and Google, not yet born, but even their very concepts and industries would have been unfathomable to most people who weren't avid readers of science fiction at that time. So much of what was literally science fiction when I was a kid is now fairly humdrum and affordable kit that has become pretty ubiquitous today.

Computing power may now (only) be doubling every 18 months, but the impact on other areas of society is similarly speeding up. We are now in the sharing economy, largely facilitated by technology but necessitated by a backward step in wealth: millennials become the first generation to be less wealthy than their parents, as society pays the price for the unaffordable pensions and healthcare promised to all after the Second World War.

Not since Adam and Eve had Cain and Abel has the sheer volume of humanity doubled in a lifetime, and we march on towards eight billion up from just four billion in 1970. Populations in the mature economies of the west stagnate whereas those in growth economies such as India explode. These countries have a burgeoning middle class, stretching resources like power generation, food production and infrastructure beyond what seemed possible only recently. Our ingeniousness in pushing the envelope is moving ahead of our growing needs all the time.

In the west, we have been exporting low-value manufacturing jobs to cheaper and cheaper labour cost countries in a worldwide movement that has been largely positive for the distribution of wealth and the general level of peace and harmony. However, it's not been so good for the environment as we have invented a throwaway economy that has spread from Styrofoam coffee cups to discount clothing so cheap that it can literally be worn once before being discarded.

Now we are starting to export white-collar jobs overseas too, with accountants and lawyers following call centre operators into Bangalore and Manila.

Next will be the march of the robots and Artificial Intelligence. Call centre operators, taxi and truck drivers, doctors and accountants are all professions that will become increasingly redundant over the next few years as smart technology learns these largely mechanical tasks, and whole industry employment areas literally collapse. It's rather like what happened in the agricultural and industrial revolutions in farming, and then in cottage industries as factories and mechanisation took over. It will be fascinating to see what new industries and professions rise up to replace the ones that will inevitably die.

Artificial Intelligence is rapidly developing and is already starting to change the world at a pace that is worrying to some experts. Huge personalities in the tech industry often lament the dangers of unfettered development of AI systems: people like Elon Musk and the late Stephen Hawking, who have warned of a future where AI reigns supreme. Whether or not their concerns are unfounded, there certainly is massive value in keeping a close eye on the progress of AI innovation for the entrepreneur.

AI is getting really good and, in a lot of cases, way better than experts imagined. *AlphaGo*, Google's game playing AI, has been beating the world's best players for a while now, something that wasn't thought to be possible for at least a decade. Elon Musk's *OpenAI* is doing even better than that by beating the world's greatest eSports players at *DOTA 2*, a game that is much more complex than chess and involves tricking opponents. It's easy to see how an argument can be made that we need to more closely and accurately map the development of AI systems.

There is an abundance of almost everything in the market today! Thanks to the likes of Amazon, we can now have what we want, how we want it, when we want it and at the price we want to pay for it. As consumers, we can make our preferences and experiences clear to companies through social media. Each of us is able to broadcast widely, building a level playing field between businesses and consumers.

There is, however, a growing divergence of earnings between the least well paid and the best paid, as few now control the work of many and are able instead to leverage through technology. Bill Gates has suggested that robots should be taxed at the same rate as the human labour they displace in order to deal with the looming issues of under employment and longer lifespans. It's not easy to see how that might work without severely disincentivising human progress, but almost certainly governments will need to adjust to the new realities in the same way as individuals will.

One of the best-known commentators on inequality is Professor Joe Stiglitz from *Columbia Business School*. He told **BBC News** that the problem of increasing inequality was not just to do with lack of training and education.

"What we've seen, particularly in the last 15 years, is that even those who are college graduates have seen their incomes stagnate. The real problem is the rules of the game are stacked for the monopolists, the CEOs [chief executives] of corporations.

"CEOs today get pay that's roughly 300 times that of ordinary workers – it used to be 20 or 30 times. No increase in productivity justifies this change in relative compensation."

Behind the OECD (*Organisation for Economic Co-operation and Development*) averages, there is a considerable range in the degrees of inequality in each country.

One of the report's authors, Mark Pearson from the OECD, told **BBC News**: *"It's not just income that we're seeing being very concentrated – you look at wealth and you find that the bottom 40% of the population in rich countries have only 3% of household wealth whereas the top 10% have over half of household wealth.*

"So that combination of both wealth and income being very concentrated, it means there is no equality of opportunity in many societies and that undermines our growth."

Companies and brands are diverging too between the luxury branded market and the mass-market commoditisation. The mid-market is increasingly a more difficult area to occupy. Ultimately, consumers are polarised between brand and price and, unlike before, corporations cannot easily pigeon hole their consumers into neat socio-economic groups. Nowadays, it is quite likely that a student will afford the most expensive new smart phone whereas a very wealthy person might give up car ownership altogether, especially if they live in an urban centre.

Politics are changing too and the old left/right schism is increasingly redundant as the electorate finds itself split more on a geographic and age basis, taking positions on single issues like Brexit or the environment.

Multi-national businesses have for some years enjoyed an almost unfair advantage as they are able to leverage their size and buying power, which includes the country they ultimately deign to pay tax in. Brands like Starbucks, Zara, McDonalds and Amazon crush their competitors across all markets with very little variation to their central proposition.

The gig economy is calling an end to industrialisation as knowledge workers increasingly gravitate out from organised workplaces into shared offices and the free Wi-Fi at Starbucks. They're moving away from unionised collectivisation towards self-reliance and back to the cottage- industry economy of pre-industrialisation, but this time armed with laptops rather than cotton-spinning machines. This movement again is ultimately eroding living standards for most millennials, as they lose the security, sick pay and pension rights that their baby boomer parents enjoyed.

Interestingly though, in the same way that the agricultural and industrial revolutions increased the living standards of mankind as a whole, whilst at the cost of reducing the living standards of most individuals, the tech revolution may well be reversing that by re-empowering the individual at the expense of the corporation.

No doubt, then, that today we are living through exceptional times as consumers, as workers and as citizens. However, for small business owners, the opportunities and threats that now exist to their enterprises are equally without precedent and increasing in scale over time, with change only likely to accelerate things. This means that these three uncomfortable truths that have always been present are now critical if the enterprise is to survive and prosper.

The Three Uncomfortable Truths

1. The only entitlement is opportunity

You have no rights as a business owner: zero… nada! The world doesn't owe you or your business a living. The opportunity is out there, as it is for us all, but it is your job as a leader to both recognise and then to take that opportunity. Businesses that rely on strapline claims of longevity or succession will flounder, as these claims are increasingly irrelevant to modern consumers. Leaders need to regularly overhaul their central proposition to ensure that it remains both relevant and sticky to their current and potential customers. Businesses should be constantly trialling and testing tweaks to their offer, rolling them out where they prove to be popular and quickly canning them when they are not, to keep things fresh and relevant. They should remove assumption from their planning as much as possible, as ultimately customers vote with their wallets with little concern for what the business thinks.

2. Your business must have at least one unique reason to exist

At one time, for example, being the only speciality store in a town was enough to ensure success, but of course now you will be competing with the out-of-town-category killer and numerous internet retailers, all of whom are capable of offering longer opening hours and cheaper prices than the local store. Good service is a pre-requisite so that won't work as a USP either. The only area that the small business can rely on in the face of competition today is in building a brand based on exceptional service and specialisation. Essentially, SME businesses need to focus on the needs of the core customer and others like them and wrap that in an unbeatable and personalised approach. An example of this would be a restaurant where the client has his own table, wine and food preferences acknowledged and remembered, and receives communications from the restaurant on significant dates (such as birthdays and anniversaries), with relevant deals so that it's actually difficult to even consider going anywhere else, regardless of their pricing and selection.

3. Cash is king

Leaders of businesses that are run with insufficient working capital because they failed to raise an adequate level at the outset, they are overtrading or they are losing money, are prone to making poor long-term decisions as their decision-making process is driven by short-term opportunism and fear. Surviving day-to-day is debilitating and defocusing, and normally disastrous if not dealt with as a priority.

So, there you have it. Change your thinking to reflect the demands of the future rather than the tribulations of the past. It's really important to understand that thinking you have an entitlement to business (when really you DON'T) is a sure-fire way to lose everything. Don't forget that people need to know why they should do business with YOU (and not just visit the next search entry on Google), and you need to have the cash to be there for them when they do.

Key Points

» No place for arrogance or a false sense of entitlement.

» Retain a childish fascination in everything tech because it will have an impact on your business whatever industry you're in.

» Keep trialling and reinventing.

» Create a USP, retain it and develop it.

» Don't run out of cash... No, really, don't!

2

It’s All About You

Most businesses are set up as small enterprises by technicians or enthusiasts, and most businesses then stay that way as an effective vehicle for self-employment.

In the UK, which is probably pretty typical, 99.9% of all businesses (5.4m) are SMEs, (small and medium enterprises) and 76% of all businesses only ever employ a maximum of one person and never grow beyond that.

Within five years, 80% of businesses fail, according to Forbes, and 96% fail within ten years.

Obviously some churn is positive for the economy and the natural order of things, but surely something is wrong, isn’t it, when 96% of enterprises have shorter lives than the average dog?

So the question is, *why do businesses fail?* And the short answer is that businesses mostly fail because of the **behaviour of the leader** – which is exactly the same reason why some businesses ultimately succeed, because success is basically behavioural, not attitudinal or metaphysical.

Behaviours Most Likely to Help the Leader Succeed

1. Hunger

No question. How badly do you want it? Third generation family businesses normally flounder because the first generation came from nothing and created a platform, and the second generation spent their childhood witnessing their parents struggle. The third generation, on the other hand, were born into plenty, are therefore less motivated than their parents and grandparents, and as a result normally wind up closing the doors on the family enterprise.

2. Energy

Make no mistake, the journey to success is *not* for the faint-hearted. Successful entrepreneurs often have very little work/life balance. Even the term *'work/life balance'* is meaningless to them because it suggests that, like most job slaves, you need to trade hours of your life that you love for hours of work that you hate in order to make an income that helps you enjoy your non-work life. However, successful behaviour is viewed by outsiders as being a workaholic: someone who is so in love with what they do that they are addicted to it, they love it and it energises them. Not working is actually dull by comparison; social situations and holidays can be boring and unwelcome interludes to the crusade of their life, which is their business. This may lead to relationship issues but these are often viewed as a price worth paying.

3. Autonomy

Good leaders take on board views but ultimately *make up their own minds*; they are unaffected by unsolicited criticism and treat naysayers with disdain. Strong leaders attract criticism like water attracts ducks but, like ducks in water, it doesn't even come close to ruffling their feathers. They remain strong and are quite prepared to subject themselves to uncomfortable situations that would phase most people in order to achieve their goals. George Bernard Shaw famously said, *"The reasonable man adapts himself to the world; the unreasonable one persists in trying to adapt the world to himself. Therefore, all progress depends on the unreasonable man."*

4. Responsibility

Successful leaders take *responsibility* for their and the their team's errors and make sure that they are a learning experience. They make whatever changes are necessary and go again. They are also prepared to share responsibility for success in order to motivate their team.

5. Resilience

The ability to *keep coming back* from failure to ultimately succeed, however many times and however long it takes. Walt Disney, Henry Ford, Conrad Hilton, JC Penney, Sam Walton and HJ Heinz are just a few of the mega successful businessmen who experienced bankruptcy on their way to success. Not to mention Donald Trump, of course, who only escaped personal bankruptcy through his use of corporate insolvency processes. In Silicon Valley today, part of the investment criteria of many funders means that those that have not yet experienced a disaster find it more difficult to attract investment. Funders want to see that the custodian of their investment doesn't experience a first failure on their watch, and has the personality traits to come back from setbacks. Regrettably, we are not so forward thinking in the UK, which is probably why the nine most valuable businesses in the world are American and the tenth is Chinese.

6. Rebelliousness

Successful businesses *take on the establishment and disrupt it to their advantage*. Their leaders are prepared to tackle and challenge authority and the status quo. The skills necessary to succeed in corporate life, which are about recognising and working the hierarchy, are the total antithesis of the skills required to grow an enterprise. These latter skills are about recognising the hierarchy, ambushing it and ultimately destroying it – or perhaps not even recognising it in the first place. Entrepreneurs are prepared to take on the establishment in creative ways.

When Kenneth Cole was starting out in the shoe business, he wanted to show his wares at NY Fashion Week but couldn't afford a catwalk show as the rent and other costs were very high. He did, however, have a large trailer and chose to do a static show in the trailer rather than in a building, thus saving costs. He decided that the best location to site the trailer for the week was on Fifth Avenue (where else?), but the parking regulations are obviously highly restrictive for cars on that street, never mind large trailers.

Cole contacted the City Hall to ask for permission and was rejected out of hand. He persisted and this time asked a different question: *"If anyone* *would, then who would be allowed to park a trailer on Fifth Avenue for the week, and in what circumstance?"* The answer was that the sole exception to the rule was for the purposes of film production. Cole called back a few minutes later from the *Kenneth Cole Film Production Company*, which he had just incorporated, and got a permit to park his trailer for the week as if to shoot the documentary, *'The Making of a Shoe Company'*.

On the opening day of Fashion Week, Cole had fake camera operators and technicians milling around with no film in their cameras, and the general hubbub attracted a huge swathe of buyers onto the 'set' to look at the collection and place orders. The rest, of course, is history, and the brand has gone from success to success.

Don't prostitute yourself! You have the almost unique opportunity of guiding your own life and making your own choices, free from the influence of overburdening authority that most workers are faced with. So don't throw it all away in an effort to fulfill someone else's dream or destiny. Remember to make your own bed the way you like it – after all, you're the one who's going to lie in it. If you love your work then you'll never work a day in your life. If you don't, however, then you will ultimately fail because success relies in a large part on your ongoing fascination and love for your enterprise, and your willingness to subject yourself to total immersion: nurturing it and thinking about it in a positive way all the time in your subconscious; even when asleep.

In one of the best-thought-out studies on what makes successful businesses *Good To Great*, Jim Collins says that, *"good is the enemy of great"*. What he means is that, if things are OK then, as humans, we tend to leave them be. The problem is that 'OK' is a relative concept and, rather like the frog that doesn't notice when it is slowly being boiled alive, we tend not to consider changing until things get really bad, by which time often it's too late.

Just as a marriage can go stale over time, your relationship with your business can similarly stagnate. The difference between your dissatisfied spouse and your unloved business, however, is that your spouse is likely to give you honest feedback and file for divorce, whereas your business will absorb all sorts of abuse and a lack of love for a time because it can't speak to you.

However, the entity that is your business cannot exist in a vacuum for long, and the contrast between the performance of an unloved business and its more spirited competitors will soon become apparent in lower profits, and then in no profits or even losses. This will, of course, only serve to reinforce and exacerbate the emotional disconnect that led to the issue in the first instance. Whilst, in the speeded-up world in which we live today, all of this will start slowly, after reaching a tipping point, it will begin to work against you in quick time.

So I cannot stress enough that, nowadays, *good isn't just the enemy of great – it just isn't good enough!* Only **great** businesses, the ones with an engaged and motivated leader, can survive in today's market.

The key success factor, even more than innate talent, must be love for what you do, because that is what will ultimately motivate you to direct all your discretionary effort in the general direction of your venture.

Your leadership style might be unusual or even variable, but all that matters really is that you are engaged and authentic, and ultimately that you get results.

A leader's singular job at the end of the day is to get positive results. But even with all the leadership training programmes and 'expert' advice available, effective leadership still eludes many people and organisations. One reason for this, says Daniel Goleman of *The Harvard Business Review*, is that such experts offer advice based on inference, experience and instinct, not on quantitative data. Now, drawing on research of more than 3,000 executives, Goleman explores which precise leadership behaviours yield positive results. He outlines six distinct leadership styles, each one springing from different components of emotional intelligence. Each style has a specific effect on the working atmosphere of a company, division or team, and, in turn, on its financial performance. The styles, by name and brief description alone, will resonate with anyone who leads, is led, or, as is the case with most of us, does both. Coercive leaders demand immediate compliance. Authoritative leaders mobilise people toward a vision. Affiliative leaders create emotional bonds and harmony. Democratic leaders build consensus through participation. Pacesetting leaders expect excellence and self-direction. And coaching leaders develop people for the future.

The research indicates that leaders who get the best results don't rely on just one leadership style; they use most of the styles in any given week. Goleman details the types of business situations each style is best suited for, and he explains how leaders who lack one or more styles can expand their repertories. He maintains that practice leaders can switch leadership styles to produce powerful results, thus turning the art of leadership into a science. That's why I have never placed much credibility on personality- testing quizzes and measuring, because it's just too overly simplistic.

Key Points

- » Falling out of love with your business is the beginning of the end: if you don't love your business then you won't give it all that it takes. In which case change it or change you.
- » Use your business as a vehicle to take you on a voyage of change and discovery, , like a metaphorical racing yacht.
- » If you have a setback, get over it! Learn, reset and move on.
- » 80/20: there is only one of you, so make sure that you spend most of your time working on the aspects of the business that have 80% of the impact, rather than being a busy fool by sweating the small stuff.
- » Talking of 80/20, try to direct 80% of your effort towards the parts of the business that are responsible for 80% of the results, so that it has the biggest impact.
- » Vary your style and approach.

3

Get on the Bus

The best leaders are effective *delegators*. They recognise that they have to surround themselves with a strong team that contains complimentary skills to their own.

They are not afraid of employing people with skills even greater than their own and, in fact, recognise that not to do that will ultimately hold them back in micromanagement, rather than being able to lead and pursue the big picture.

Jim Collins in *Good To Great* uses a metaphor for the venture, which is a bus – the leader is the driver and the staff are the passengers. He says that it's more important to have the right people on the bus than even to know where the bus is going at the outset. If you have the right people on the bus then, between you all, you will ultimately work out where the destination is and how to get there. By definition this requires an enormous leap of faith in recruiting fantastic people as a priority, even if you aren't quite sure of the role they will fill, since together you'll work it all out. I think this might work in larger ventures where incremental increases in staff numbers are relatively benign, but in a smaller enterprise employing, say, ten staff, it's simply not realistic to recruit a fantastic person and increase the workforce by 10% just because you think they are inspirational.

Having said that, exceptional people can get you exceptional results and you don't often find them applying for the role you've just advertised. So, if you come across truly exceptional people, wherever that may be, *then* *find a role for them* and they will help to drive your business. Just be careful of becoming over-enamoured with someone because you are personally attracted to them, rather than because they are genuinely brilliant, which can happen – especially with hot sales people who are naturally brilliant at creating empathy but in reality might be quite superficial.

Make recruitment choices slowly. In my experience, gut instinct can be wrong and you can spend a long time regretting quick decisions when it comes to people on your team.

Frankly, staffing is one of the areas that causes businesses the biggest headaches!

The fundamental problems with staffing are:

1. Staff have their own agenda, which is not generally or automatically aligned with that of the business.
2. Staff enjoy legal protection that was created in the industrial age when jobs were for life and it was the employer's role to take a patriarchal view of its employees. In today's fluid knowledge age, where jobs are often project based, it simply isn't realistic to offer such workplace continuity.
3. Many low-value production jobs have already been exported to low labour cost Asia, and those slightly up the scale have attracted cheaper labour nearer markets, which is by definition transitory. Business Process Outsourcing and the profusion of virtual assistants are more and more widespread. Of course, this trend has been massively accelerated by the pandemic and the necessity of working from home.
4. Increasingly, jobs at all levels, even management, are being superseded by computers and robots (Moore's Law again!).

With so much cost and inflexibility in this area and so much change afoot, it is vital that leaders stay abreast of developments and continue to reappraise, redeploy and renew their staff and staffing arrangements, with a view to constantly increasing their efficiency.

There is no doubt that in a small business, where the leader's relationship with the team needs to be high trust in order to increase efficiency and reduce friction, the constant need to trim the team is one of the biggest challenges. If mishandled, it can be a disaster for the business in the short term; alternatively, if not faced, then it is an absolute long-term disaster as businesses become overburdened with cost and uncompetitive. Business owners need to ensure that they are hard but fair and that they stay close – but not too close – to their people.

Owners need to make sure that they measure the efficiency of the recruitment process, and that their people's goals are as closely aligned with the business's goals as possible. The best way of ensuring this is to involve them in the strategy formulation. In that way, they will feel a sense of ownership over the business's goals. If possible, actual ownership would be desirable through creating the greatest level of buy-in – literally. By this I don't mean gifting shares or share options, but rather some kind of actual buy-in where staff give cash in exchange for shares, as this is the best way of improving efficiency.

Getting this right in **YOUR business** is really key, especially when considering whether to reward results individually, by department or company-wide. It's a hard strategy to implement, especially if you've never done it before, but don't let inexperience stop you. If you're not sure where to begin, or even if it's right for your organisation (it almost always is), then get in touch. Simply email me at stephen.sacks@fundingnav.com and I can take you through the steps. Once you do it, you'll be amazed at how effective it is.

Sam Smith of broker FinnCap describes her ascendance as, *"not all plain sailing".* In 2010, having invested £500k of her own earnings and bonuses into an MBO, Smith found herself with 48 hours to raise £2.5m to purchase the bulk of the remaining shares. Speaking at a business breakfast meeting, she said, *"Because of the split we initially made, we* *quickly ran out of that initial 50% to share around new employees, and there was 50% that could be used to drive the business faster if in the right hands. We managed to raise the money in 24 hours from the staff, which gave us a chance to create a really good, egalitarian culture.”* Smith gives credit to the structure in facilitating the business’s subsequent rapid growth. *“The day after the share raise, the atmosphere in the firm changed completely. Gone were the silos, politics and in-fighting that plague most businesses, replaced with a positive can-do attitude, where management became easier and increasingly unnecessary.”*

Steve Olenski, writing in *Forbes*, says that hiring the right employees can make or break your business.

Employee recruitment is about managing stress, as you will constantly be judged on your selection, and you obviously cannot please everybody in your organisation.

The Six Rules to Hire the Right Employee for Your Business

1. Look for someone with a commitment to their career

A person committed to his or her career is the candidate you want to hire. You don’t want to hire an employee who switches careers or jobs frequently, just to get a higher salary. If a candidate is not loyal to any company, hiring this person could certainly be a problem for your business.

Always check the candidate’s previous job duration and, if he or she is switching jobs constantly, this is definitely not the right person.

2. Test for excellent learning and analytical skills

Try to use different methodologies to assess the learning and analytical skills of your candidates. Testing candidates might be tricky, but don’t evaluate them merely on the basis of their resumé and their confidence, because a resumé can contain lies. Satish Bakhda from Rikvin.com believes that a candidate with confidence is great, but what you really want is a candidate that has the right skills and educational requirements.

3. Check compatibility

You want to find an employee that will fit in with your company's culture. Check whether the candidate has social skills to get along with others, especially with current employees and managers. Ask how he or she is managing current business clients to judge compatibility skills. Remember, willingness is one of the primary things a candidate must possess to work with you. And if a person cannot get along with his or her current clients or previous bosses, it's not such a great idea to hire that candidate.

4. Keep improving your hiring process

Whether you are hiring employees for a big organisation or looking for some potential candidates to build your start-up, the hiring process is the first and foremost factor you need to focus on. Make sure you follow these steps in your hiring process:

- » Instead of asking magic bullet or irrelevant questions, you always need to focus on getting to know the capabilities, knowledge, skills, confidence, attitude and potential of the candidate.
- » When you advertise job vacancies for your company, make sure that all the job requirements, such as responsibilities, education, experience, knowledge and skills, are clearly mentioned. This will help you in evaluating candidates and attracting applicants that fulfill all your requirements.
- » It's also a good idea to involve other people in the evaluation process, since more opinions can lead to finding the right hire.

5. Don't forget to hire interns

Some may disagree, but this is one of the best ways to hire the right employee for your business. You'll discover all their strengths, weaknesses, skills, knowledge, attitudes, behaviour and confidence levels, and even get practical evidence of work. What else do you need to know?

You've already done the hard work in picking an intern, so why not hire from this potential pool when looking to fill permanent positions?

6. Get social with candidates

Asking personal questions won't get you anywhere and could be awkward and uncomfortable for both parties. Rather, you or your human resources team should be analysing candidates' presence on social media. This can be a great strategy, especially if you want to hire employees for tech businesses.

You'll be surprised what you can find out about a candidate by researching their social presence. Did you know that more than 90% of companies prefer to recruit through social media platforms such as Facebook, Twitter and LinkedIn?

If you look at the list of *Fortune 500 firms*, you'll see that 45% of these firms list job openings on social media.

Today, the team of most businesses extends way beyond the office (if there even is one), to a bevy of freelancers, outsourced contractors and virtual assistants that allow the enterprise the flexibility and low-cost base it needs to both survive and prosper. The challenges in aligning these external resources with the values and aims of the business, especially when they are so remote, are extreme, but the ultimate rewards are great. There are, of course, numerous tools at the modern leader's disposal, such as Skype and shared document apps.

Key Points

» Stay close to the people in the business, but not too close.

» Be prepared to act quickly to cut out negativity, as it's always destructive.

» Keep improving your hiring processes.

» Make full use of candidates' social media in assessing them.

» Keep abreast of the level of efficiency you're achieving, and always strive to stay ahead of the curve by making rapid changes. Adopt new technology that helps facilitate quickly.

» Allow your people a buy-in at both the strategy and equity level if at all possible, since the business's levels of efficiency will be massively boosted. However, this doesn't mean create share option schemes, which can often do more to disincentivise rather than incentivise. If possible, get your guys to get some skin in the game.

» 80/20: make sure staff aren't wasting both your time and theirs by spending it simply moving information around or conducting never-ending internal meetings, rather than using it to create meaningful work of importance. *This includes you!*

4

Setting Your Flash Out

'Setting your flash out' is the slang for what market traders do each morning when they set their stall up. In operating in this fundamental and original area of commerce, they have *two real advantages* over more complex businesses:

1. **They get to reinvent their strategy each day**, as each day the 'shop' has to be set up as new. This gives them a great opportunity to change their pricing and proposition according to lessons learnt the previous day and the current situation – for example, umbrellas at the front if it looks like rain. Also, if they arrive early enough, then there may be the opportunity to literally change their position in the market physically according to where they perceive greater customer flow to be. This is an enormous advantage compared to businesses that operate on a system of vertical ascension, where each development is consolidated and then built on again, and legacy issues persist in an ongoing erosion of the business's potential.
2. **They get real and relevant feedback from their punters in real time,** and they receive this qualitatively rather than as a load of numbers on a computer screen spreadsheet or in a power point presentation. Seeing what people are buying and why and, perhaps more importantly, what they are not buying and why, offers an immediate call to action. This is quite unlike the somewhat vanilla information that computers spew out that often does little to focus protagonists on the immediate job in hand and

create resolution strategies, but just leads to clever accounting as a means to hide the issue, instead of biting the bullet and dealing with it immediately.

All businesses in all sectors should think about adopting the market trader's strategies as far as they possibly can, because that is, after all, where the term 'marketing' comes from. It's no wonder that many ex market traders make such great business leaders, such as Tom Singh of *New Look* and *The Apprentice's* Lord Sugar. Time spent as a leader meeting with actual customers and gaining first-hand feedback from the coalface is of enormous value.

Trading ability is one of the most valuable skills anyone can possess in business.

When that skill is combined with an innate feel for the market and also a willingness to be proved wrong and to learn and get better, these are key success drivers to any business. The choice of product or service that the company will offer is the most fundamental decision that the entrepreneur will make. If that decision is wrong and not improved upon, then the venture is likely to be doomed to fail from the outset. In today's world, that initial decision needs to be constantly revisited because the market moves on so quickly. Fashion, technology and competition conspire to create an environment of accelerated product and service redundancy that we ignore at our peril.

Leaders can choose to spend their time in three basic fundamental activities:

1. Running today's business, which is where most people start, but if you want to develop and grow then spending time here will not be useful. It is, however, tough to move yourself back from the front line and trust others to do the fire fighting.

2. Improving today's business, which is definitely better than spending time running it, but you're still subject to being blindsided as focus remains inward.
3. Planning tomorrow's business, which is the toughest challenge for a business owner as it literally needs them to cut loose from the day-to-day and not consider incremental improvements, but an entirely different business. The more time invested here, the better the enterprise's long-term prospects for building real equity and value over time. Whilst not trying to blow Funding Nav's trumpet too much, this is definitely an area where external consultants can make a real difference. They can challenge and task the business owner with this job, as he or she will inevitably find themselves attracted to the much more immediate issues of the current trading environment. So staying in this space is tough.

Businesses need to be planning for product and service redundancy in shorter and shorter time frames than ever before. They need to be milking their cash cows to subsidise their new innovations, knowing that there will be a high level of failure, because it's all about learning and using that learning to improve in the short and medium term, and then developing the next big thing. But even the next big thing will only have limited legs, so the process needs to be circular and ongoing.

A well-known company that demonstrated the increasing speed of reinvention required to succeed today, rather than historically, is Nokia, a company founded by Fredrik Idestam in 1865 as a pulp paper mill in the south west of Finland, which at the time was part of Russia. Over the next century, the business developed, sometimes through bankruptcy and consolidation, into a conglomerate with interests in many industries, producing at various times paper products, car and bicycle tyres, footwear (including rubber boots), communications cables, televisions and other consumer electronics, personal computers, electricity generation machinery, robotics, capacitors, military technology and equipment (such as the SANLA M/90 device and the M61 gas mask for the Finnish Army), plastics, aluminium and chemicals.

In the 1970s and 1980s, Nokia developed the Sanomalaitejärjestelmä (*'Message device system'*), a digital, portable and encrypted text-based communications device for the Finnish Defence Forces.

Nokia was a key developer of GSM (2G) (*Global System for Mobile Communications*), the second-generation mobile technology that could carry data as well as voice traffic. NMT (*Nordic Mobile Telephony*), the world's first mobile telephony standard to allow international roaming, provided expertise for Nokia in developing GSM, which was adopted in 1987 as the new European standard for digital mobile technology.

Nokia delivered its first GSM network to Finnish operator Radiolinja in 1989. The world's first commercial GSM call was made on 1 July 1991 in Helsinki, over a Nokia-supplied network. The by-then Prime Minister of Finland, Harri Holkeri, used a prototype Nokia GSM phone. In 1992, the first GSM phone, the Nokia 1011, was launched.

GSM's high-quality voice calls, easy international roaming and support for new services like text messaging (Short Message Service) laid the foundations for a worldwide boom in mobile phone use. GSM came to dominate mobile telephony in the 1990s, by mid 2008 accounting for about three billion subscribers, with more than 700 mobile operators across 218 countries and territories. Connections were growing at the rate of 15 per second, or 1.3 million per day.

Nokia launched the Nokia 3310 in 2000. It has become one of the most popular devices of all time. The Nokia 1100 handset launched in 2003, shipped over 200 million units, is the best-selling mobile phone ever, the world's top-selling consumer electronics product, and contributed to the company's rise in developing markets.

The Nokia ring tone was ubiquitous and annoying for a long time, and people were obsessed with playing the somewhat irritating signature game of *'Snakes'*. Almost unbeatable from 2000 for nearly a decade, Nokia posted record growth in both revenue and earnings annually. Even Apple's launch of the original iPhone in 2007 didn't really dent their sales, and Nokia continued the momentum until the launch of Apple's iPhone 3G in 2008. Apple's year-on-year market share doubled by the end of that year, and the market share of iPhone OS (now known as iOS) pulled ahead of Windows Mobile, although Nokia retained a 40.8% share by Q4 (4th quarter) 2008; nevertheless, it did see a decline of over 10% from Q4 2007, replaced by Apple's increasing share.

The rest is history. Like its business phone rival Blackberry, Nokia was basically destroyed by the growth of Apple's iPhone and their main competitors, the manufacturers of android devices such as Samsung. On 2 September 2013, Microsoft announced that it would acquire Nokia's mobile device business in a deal worth $4.25bn, which is a large amount of money until you consider that Apple is now the most valuable company in the world, with a value of over $2 trillion, or almost 500 times the value of Nokia then. Apple is in fact the most valuable business in world history on any measure, but I do wonder how long they will hold that accolade for.

So, a business that stayed abreast of change for over 100 years and moved into and dominated a category that defined an age in the early 2000s became irrelevant within just five years, because it was completely overhauled by a more nimble and aggressive competitor – a competitor that totally got the market dynamics, whilst Nokia evidently did not. So, even a century track record is irrelevant in guiding buyer demand.

If Nokia had been more sensitive to the market, they may well have been able to better predict the changes required and, given their enormous resources, have employed sufficient power to beat Apple at their own game – or else bought the upstart company, which itself was virtually bankrupt in 1996 just before Steve Jobs rejoined. But they didn't!

Good marketing means that the requirement to sell declines.

Anyone visiting an Apple Store, for example, will not be aggressively targeted by sales people. There is no need for the company to do that since its customers are quite prepared to camp out overnight in anticipation of being amongst the first to receive the newest iteration of a device. Products are tangible and patentable, and are therefore easier to engineer with a USP, as Apple does. Services, however, are neither tangible nor generally patentable, and therefore present the business owner with a more complex marketing problem.

Ultimately, services are about reputation, results and relationships. The absolute, if somewhat controversial, master of services marketing was Bernie Madoff. Regrettably, Bernie was unavailable for interview at the time of writing, given that he is currently serving 150 years in a Federal Correctional Institution in Butner Medium, North Carolina, for running the biggest Ponzi scheme ever uncovered. (Note the word ‘uncovered’ as the FBI claim that there are potentially much larger horrors lurking.)

If you can, try to see the 2017 film *The Wizard of Lies*, which sees Robert De Niro take on the role of Madoff. Not that it’s such a great movie in all honesty, but it is an instructional look at Bernie’s marketing strategy. Bernie never really prospected for sales himself, at least not outwardly. He relied on his existing clients to do that for him by referral. He would remain aloof from most people by making it difficult for new clients to contact him and work with him. By playing hard to get (a dating strategy used to great effect by teen girls) and developing a legend (which in his case was entirely fabricated), he managed to stimulate a huge demand for his services, which were to provide the illusion of large returns on fake investments. Highly successful business people, who frankly should have known better, would pursue him relentlessly to invest because of the stories they’d heard from those they trusted who had been conned into believing the hype. Ultimately, Madoff accepted sums in excess of $50bn from these greedy fools, without the requirement to employ high-pressure, boiler-room-type tactics. He simply created a marketing story that was so compulsive it was never really tested until it finally collapsed. One wonders how he may be profiting right now through creating markets from within Butner Medium Federal Correctional Institution.

So, try to analyse how you spend your time in running today’s business, improving today’s business and imagining tomorrow’s business, and gradually move yourself out of today into tomorrow.

Always be trialling new marketing ideas, including the competition’s.

Key Points

- Don’t rest on your laurels or believe your own hype – ever (however great your mum thinks you are…)!
- Watch the competition closely and don’t be afraid to steal their ideas to trial.
- Be prepared to totally reinvent your business over a cycle of every seven years.
- 80/20: only spend about 20% of your time working on today’s business. Split the other 80% between improving today’s business and creating tomorrow’s business.
- Use pragmatic and external sounding boards (not your mum) to help create and test new ideas and strategies, before committing to trialling them commercially.
- Stay available but not overly accessible to your market to try to create a sense of exclusivity, as that will add an allure and a premium to your offer.
- And don’t get involved in a Ponzi scheme, whatever you do!

5

Fill Your Funnel & Fix the Leaks

Sales is basically a three-stage process:

1. Prospecting.
2. Qualifying.
3. Closing.

It's essentially a numbers game and you really *must know your numbers* in order to succeed at it.

The two most important numbers fundamental to it are:

1. Lifetime customer value.
2. Cost of customer acquisition.

Since acquiring customers is generally a costly exercise, the easiest and cheapest way to improve sales is to increase the lifetime customer value of existing customers by upselling and cross-selling, as well as having a strategy of reconnecting with lapsed or resting customers.

At some point, however, most businesses will need to recruit new customers, even if they just want to stand still to counter natural leakage. Again, this is a numbers-driven exercise where you aim to fill the sales funnel with as many prospects as possible. Then, through a process of qualification, you whittle this number down to qualified leads and try to close as many of them as possible.

Let’s go back to the example of Bernie Madoff, as I can say more or less what I like with impunity about Bernie and his methods, since this book will be long forgotten by the time of his theoretical release. Let’s say that each month he received an average of ten referrals of hot leads looking to invest in his scheme at a stated 10% return per month. Bernie probably qualified them by considering how much they wanted to invest and how diligent they were. So, for example, a billionaire’s widow looking for a home for multi hundreds of millions would probably be a preferential lead to a fund manager looking to trial a few million, as the former seems to present significantly greater returns than the fund manager, with much less risk of discovery. Bernie would probably have met personally with the widow initially, and then regularly afterwards in order to get her to increase her investments. However, he may well have rejected the latter entirely, who would then have reinforced Bernie’s myth of inaccessibility.

So, if you want to sell like Madoff, you need to first *identify* who your ideal customers are and, in most cases, they most probably look like your current best customers. You then need to work out *where they hang out*, either literally (the golf club in Bernie’s case), or maybe electronically – LinkedIn or Facebook etc. Having fielded them marketing messages that we discussed in the previous section, you will receive enquiries. These prospects are now leads since they actively want to be sold to. Qualifying the lead is key to not wasting resources, which will only increase the cost of customer acquisition. So before committing to expensive closing strategies like face-to-face meetings, you really need to sort the wheat from the tyre kickers.

The worldwide web has facilitated a huge move on for the sales and marketing industry. It is now possible to qualify leads better than ever before and for very niche small businesses to offer themselves to a narrow niche internationally. Also, the measurability and immediacy offer the marketer unprecedented levels of control over their budget spend. The web also, however, represents the single largest inefficiency in businesses, as resources are wasted on ill-thought-out and often worthless activities such as being omnipresent on social media, which feels proactive but may in reality be a complete dead end.

The internet has certainly given more options than ever before, but the time available to us all remains constant and the internet provides numerous distractions for wasting that time. It's also a bit of a zero-sum game since everyone is competing for the same customers' pixels and therefore often ignoring more traditional methods of filling the sales funnel, such as exhibitions and press advertising etc. Ongoing trial and error across various media and marketing strategies is absolutely vital, even if – or rather especially when – the current methods are working really well.

The sales funnel is often presented as a chart that indicates a company's current leads, prospects and opportunities. It is divided into several distinct stages. While the number and name of each stage might vary by company and sales process, each funnel ideally begins with a very large pool of potential customers and ends with a lesser number of closed sales.

The sales funnel earns its name from the natural manner by which the initial pool of leads is filtered down through a process that identifies the most promising potential customers – they're the ones towards whom marketing and sales will direct most of their resources. The qualification procedures determining which customers are most interested, or best fit buyer criteria, can help identify your sales team's best chances for a closed deal from a pool of leads that might be otherwise too numerous to address. Therefore, the *procedures underlying the sales funnel* can improve the efficiency of your sales process and also your sales and marketing ROI.

It's almost a trope that marketing and sales departments have ingrained, mutual dissatisfaction. Marketing attempts to build brand awareness, create value among prospects, and expand the initial, top-of-the-funnel pool of leads. Sales, on the other hand, doesn't want to waste time with unqualified leads. Coordination between the departments for the vetting process for leads can reduce frustration between the teams and ensure marketing's efforts produce the best leads sales can handle.

Understanding the **six basic stages** of the sales funnel can help you build an effective lead qualification process, determine the optimal hand-off point from marketing to sales, reduce friction between teams and improve overall ROI. For businesses nearing the point where a large number of leads are going unaddressed, this might make the difference between closing more deals and accepting a limit to your company's performance.

The Six Basic Stages of the Sales Funnel

1. Prospect

A prospect is *someone for whom contact information is available to your company*. In terms of digital marketing, a lead may be someone who simply visited your website. Lead generation efforts, particularly inbound marketing, which involves producing interesting, shareable content relevant to potential customers, can result in a high quantity of website traffic. Many of these visitors can be induced to yield their contact details in exchange for a gated asset, like an ebook, a video, a white paper, and so on.

Once they've submitted their contact details, the lead can transition from an unqualified prospect – identifiable only through IP address – to a qualified lead. In these terms, anyone can become a prospect, and the exit criteria of qualification is simple. However, as many online visitors are reluctant to divulge their contact details, there can be significant drop off or 'leakage' from this top-of-the-funnel stage.

2. Qualified Lead

A lead becomes qualified after they have *willingly identified themselves to the company*. At this point, their website activity can be tracked, and having likely provided their email address, they can be recipients of email marketing outreach. Their activity relating to your emails can also be tracked. In this way, you can determine which website pages they visit, which links they click, what other assets they download, whether they look at your pricing page and how long they linger. Regarding your emails, you can see which ones they open, how long it took them to open it after receipt, and which links or attachments they open. (Meanwhile, the customer experience on your website can be curated through custom landing pages with content tailored to specific links – this is a form of lead nurturing.)

Tracking visitors' website and email activity allows for more precise lead qualification as well as more accurate website metrics, like traffic sources by segment or top pages for conversions, and email metrics, like open-rates and click-through rates. Certain online actions or traits can be weighted for lead-scoring purposes – the number of visits to a pricing page, the number of emails opened or the types of links clicked, even the type of email address. Therefore, the more comprehensive your knowledge of the lead, the more accurate their lead score and the likelier a higher-scoring lead will progress to the sales team. Evidently, the exit criteria for leads – to become a **Marketing Qualified Lead** – is to attain a score reaching the threshold for transferral to the sales team.

3. Marketing Qualified Lead

A Marketing Qualified Lead (MQL) is a lead that has *ranked highly in the marketing and sales teams' jointly-developed lead-scoring model*. This model, which is regularly reviewed and updated, assigns scores to lead traits and behaviour that indicate the lead's buying potential. Leads are qualified on explicit criteria, such as job title, company, number of employees and location, implicit criteria like visited pages or downloaded assets, and timeline and negative criteria, which is anything that has a negative correlation with a closed deal. The sum of the lead score elements should indicate whether the qualified lead is ready for contact from a salesperson, or requires further lead nurturing; this threshold is also determined through cooperation between the two departments.

Qualified leads fall generally within a four-quadrant matrix measured by fitness and interest. A 'fit' lead possesses explicit criteria similar to your hypothetical ideal customer. An 'interested' lead demonstrates behaviour along the same lines. Charted against two axes, with fitness and interest assigned to either axis, an MQL will fall in the upper right quadrant. The exit criteria for an MQL to become a 'Sales Accepted Lead' is, of course, acceptance by the sales department. Much of the process described to this point can be automated by workflows with marketing automation software.

4. Sales Accepted Lead

There is overlap between an MQL and a Sales Accepted Lead (SAL), as there is often disagreement over the quality of leads transferred from marketing to sales. The lead-scoring model corresponds with past buyer behaviour – salespeople can recognise buyer attributes that may be hard to quantify. Sales-specified criteria adds a filter to the MQLs that prioritises leads according to your sales team's instincts.

Facing more qualified leads than your sales team can handle is a good problem to have. The SAL stage becomes especially relevant when dealing with an excess of MQLs, when a sales agent's time on lesser-qualified leads comes at the expense of an easier or higher-performing sale. The SAL stage may apply a filter based on BANT criteria (Budget, Authority, Needs, Timeline) or more intangible factors like goals and priorities. An SAL is considered highly suitable for follow-up contact and moves further along the funnel.

5. Sales Qualified Lead/Opportunity

A Sales Qualified Lead (SQL) has gone through *several rounds of internal vetting and is ready for contact by a salesperson*. This contact will likely occur over the medium your salesperson feels is best. Traditionally, at this stage, the salesperson will manage a product demonstration and preliminary pricing. Today, this largely depends on the industry and the product. For certain services, like most kinds of software-as-a-service and most vendors therein, product demos are available as a gated asset. This means the potential customer can try out the product and determine their own interest before they ever reach the MQL stage.

However, in many cases still, the SQL stage is when a salesperson guides a demo, allays a customer's potential concerns, and clearly articulates the product's benefits, the on-boarding process (if applicable), post-purchase support, preliminary pricing and any other factors related to the deal (NDA as well, if applicable).

When you hear the phrase 'sales pipeline', it typically relates to the qualification and sales process in the SAL/SQL stages. Of course, if the sales process goes well, it results in a closed deal – at which point the lead proceeds to the last stage of the funnel.

6. Customer

Congratulations! You closed the deal. But the job's not done. Built into your sales process should also be the delivery and follow-up – ensuring that once the proverbial ink on the contract is dry, the customer is still happy. Salespeople know that effective follow-up can result in new connections and new leads, either within the customer's company or outside it, if not immediately then possibly in the future. In addition, the customer should be reminded of what support options are available for the product or service they purchased. This stage is the last in the marketing and sales funnel, and in your sales automation software, the deal would be closed as 'won'. Good job!

The marketing and sales funnel provides structure to the sales process – not to mention, when visualised, offering a snapshot of existing prospects, leads and opportunities. Clearly defined sales funnel stages with entrance and exit criteria ensure due diligence in promotion of the best qualified leads, and contribute data that allows you to study and refine the process further, with metrics such as visitor-to-lead rate, percentage of Sales Accepted Leads, and opportunity-to-customer-conversion rate.

Routinely analysing the procedures underlying your sales funnel in response to bottlenecks, leaks or changing conditions allows you to improve upon ingrained practices, precisely direct your marketing and sales resources and increase your overall ROI.

We have had great success introducing prospecting campaigns that utilise LinkedIn, Facebook (especially retargeting), affiliates, national press, exhibitions and conferences, catalogues and probably still the number one growth driver even now – TV.

LinkedIn is great for B2B. It offers the marketer the most direct way to select and communicate with their target by geography, industry, company size and job title, as well as providing a career history of the target and a ton of other information that you can use to tailor your approach. There are great businesses out there providing innovative LinkedIn based solutions that we can put you in touch with.

Similarly, Facebook provides unprecedented granularity to the marketer to reach consumers with ultra-targeted messages. Facebook is credited to a large extent with the recent political turmoil across the world as a result of Donald Trump's victory in the 2016 presidential elections and the UK's historic decision to Brexit. Trump famously achieved success at a fraction of the cost of Clinton's failure and much of this was due to his mastery of social media, specifically Facebook. Via this platform, his team were able to send quite specific messages to the Obama disenfranchised, explaining how they would 'make America great again' relative to a local issue such as the automotive industry in Detroit or agriculture in Idaho. Similarly, the UK Brexit campaign targeted fishermen in Grimsby with messages about the EU fisheries policy, and how the UK would take back control of the North Sea post Brexit. Concurrently, they targeted metal bashers in the Midlands with messages of how, post Brexit, the UK would be able to limit imports of industrial materials and protect their jobs.

The undisputed winner of both competitions was, of course, Facebook, which made hundreds of millions in advertising revenues.

Facebook also offers advertisers the opportunity to retarget its users following their visit to relevant websites. This gives potential buyers the impression that your company is advertising everywhere for very little budget, as the targeting is extremely narrow and focused. It's why relevant messages follow you round the internet.

Affiliate marketing offers the huge bonus that its costs are normally totally sales related rather than lead or click related. However, the most successful affiliate sites are discount or voucher-code based, and sometimes these only serve to erode the margin on sales, as potential full-price customers are relegated to discount buyers, so beware! The way this works is that many consumers are conditioned to search for discount codes when in the checkout process. Try to avoid this at all costs!

Mass-market media, such as press and TV, can be accessed nowadays for a surprisingly reasonable cost and gives consumers a massively inflated view of your brand. The fragmentation that has occurred in mass media and improvements in technology have also enabled the ability to target very specific consumer groups and measure and track the results, which is absolutely key if you have limited budget. Did you know, for example, that Sky boxes can field entirely different ads in the same programme to neighbouring houses, depending on the advertiser's requirements and the viewer's profile?

Exhibitions and conferences offer you a great opportunity, whether B2B or B2C, to meet your potential customers direct and face-to-face, like the example of the market stall holder given earlier. These are therefore massively valuable, not just as a marketing strategy, but as a research strategy too.

Ultimately, however, as the old adage goes, *people buy from people*. Whether you employ telesales, field sales or even bots, you need to think very carefully about the customer journey and the customer experience. Use of mystery shoppers and online testers, and also shopping your competitors, are all key strategies for ensuring that you're able to maximise on your lead-generation investment by maximising your close rate.

Sales people often have poor reputations as they are synonymous with high-pressure methodologies or badly targeted approaches. If, however, the marketing campaign has done its job right then the sales people should be in receipt of a growing stream of people to speak to who have a problem that they need to spend time understanding, before coming back with a solution. Good sales guys listen and then offer the customer a solution to their problem in an honest and straightforward way. They build trust through not being pushy or self-serving, and therefore increase not only the chances of conversion, but also the customer's lifetime value and the opportunity of a referral, which is generally the best way to fill the funnel.

There are two distinctly different types of sales person – hunter and farmer. Businesses should be very careful to ensure that roles are properly specified and that the right people are put into the right roles. Hunters are key at the outset of a business as they will build and replicate new customers. Farmers are the follow-up, but they are actually where most of the money is earned through building long-term and mutually beneficial relationships. Putting farmers into hunting roles will result in very low levels of new business since they are more coy than hunters. Putting hunters into farming roles will result in low repeat business and high levels of staff turnover, since hunting is a way of life and these guys, if they are good, will already have their next job lined up even as they accept the current job. Similarly, remuneration schemes need to differ for each role. Hunters need to be rewarded for closing new deals specifically and to be targeted on those, and farmers for year on year growth within their specific accounts.

Practising effective sales strategies can be seen as a bit old fashioned now, as so many of the ideas emanate from trainers such as Dale Carnegie 100 years ago, but just because they are tried doesn't mean that they shouldn't be trusted.

Good sales people have to be effective at:

» **Empathising** – understanding what the customer wants and why. This means they have to be good listeners. The customer will tell you what they want, which means you DON'T launch into the same sales spiel with everyone.

» **Opportunism** – looking at every scenario as a potential sale.

» **Administration** – following up when follow-up is required.

» **Robustness** – sales isn't for precious snowflakes. The declining sales funnel (i.e. the majority of leads will not convert) means that handling rejection and coming back again and again and again are undoubtedly the top salesperson's key qualities.

New customer acquisition, as already discussed, is basically a numbers game, so…

Before setting up a campaign you must know the average lifetime value of a customer: that is net revenue annually *multiplied* **by the average number of years customers stay with your organisation.**

So, for the sake of an example, let's say that the average customer relationship lasts for three years and the average customer's contribution to gross profit annually is £4k. Therefore, the average lifetime value of a customer is £12k.

Having worked that out, you now need to work out how much you are prepared to pay for a new customer. Obviously the answer must be less than £12k if you want to stay in business in the long term, but how much less really depends on how much cash you have, what the competition spends, how quickly you want to grow and your gross margin and overheads. Let's say, in our example, that you are prepared to spend 75% of the first year's revenue or £3k per customer on acquisition, and let's say that you want to attract 100 new customers this year. Therefore, the total budget we can allocate to this activity is £300k.

Now we need to know how many stages are in our sales funnel and what the conversion is at each stage. So, imagine that our example business attracts prospects by press advertising, followed by sending out catalogues. It then arranges appointments in customers' homes to sell to them. If sales guys convert a third of the customers they visit and catalogues generate 10% of appointments, we can calculate that we will need the following to generate 100 new customers:

- 3000 catalogues
- 300 meetings

Assuming a response rate in media of 0.1% (yes, typically it really can be as low as that) of readers who order catalogues, then we will need to reach three million of them initially.

- The £300k budget can then be allocated accordingly.
- Those 300 meetings can probably be managed by one sales guy with a budget of £60k, to include bonus and expenses.
- The cost of 3000 catalogues plus despatch will cost say £40k.
- A response centre handling the prospect leads, sending out the catalogues and making sales appointments is probably £100k.
- That leaves about £100k to generate the creative campaign and pay for the media that will reach three million readers.

Obviously one needs to tweak and experiment with all the stages in order to get the biggest bang for each buck, as every marginal improvement in performance will result in more customers for less cost.

So, given that in our example company a new customer costs £3k to acquire on average but will produce £12k in revenue over three years, you can see that even marginal improvements in acquisition of 20%, down to say £2.4k to acquire or a £600 saving, pale into insignificance with the opportunity to efficiently farm what you already have and increase the average annual spend by say 10%, and the average length of time a customer stays by 10%. These two changes will compound to increase the customer value by a total of £2.5k, which is three times the gain from more efficient acquisition. Therefore, you might choose to target your farmers with achieving both these goals and put £1k per existing customer into retention, since it will produce an ROI of 2.5 as against making marginal gains in acquisition efficiency.

As can be seen from these examples, after working out their numbers and honing their sales techniques to maximise return, **ambitious businesses should spend as much as they can afford on sales and marketing.** Certainly, they should aim to spend at levels that make the competition vomit. This is not a trite remark but merely an observation that most budgeting is set based on a finite set of revenue numbers for a year. However, provided you are in a position to quickly scale your delivery and you get your sales and marketing numbers right, then you should absolutely NOT limit your sales and marketing spend finitely but rather by return on investment. Sales and marketing is often expressed by businesses as a percentage of revenue of say 5%, which makes it seem like a drag. A good strategy from this position might be to reduce this cost by 1% to 4%, which should go straight to the bottom line. This simplistic thinking is arse upwards and conveniently ignores where the sales came from in the first place.

So, rather than state that you have a 5% cost, turn it around so that you earn £20 for every £4 you spend. Now spending less doesn't seem so attractive, does it? Imagine if, rather than spending £4, you spent £8 – how could that translate into £40 of sales? That's the question that you and your team should really be addressing!

Please refer to the equation of business section in the resources available to you at www.fundingnav.com to see the aggregate impact of making many small improvements to your numbers. I *guarantee* that you will be absolutely amazed at the enormous overall impact you can make on your bottom line profits by implementing small improvements across a series of measurables concurrently.

Funding Nav uses proprietary tools to measure the effectiveness of sales and marketing spend for its clients, and then to advise on strategies to grow both the top and bottom lines. Please contact us to find out more.

Key Points

- Know your numbers.
- Consider sales and marketing as an investment rather than a cost.
- Hone your approach to improve your numbers.
- Always be testing and always be experimenting.
- Think about your customers' experience.
- Try your competitors' customer experience and don't be afraid to borrow some of their best ideas.
- Always be making ongoing improvements to the efficiency of your sales pipeline.

» Spend so much on marketing that it makes your competitors vomit (no, really vomit). The question should be, once you have established your CPA and LCV, not how little but how much can I spend on this! So many companies just don't get it. Think of it like this: if you knew for sure that for every £10 you spent you could definitely receive a £20 return immediately, then how many lots of £10 would you spend? The answer should be: as many as possible. You certainly wouldn't want to sell yourself short here, would you?

6

The Easiest Money You'll Ever Make

If there's one business that's unlike most others because the key to success is less about sales and marketing and more about purchasing, then it's property. Property sales are generally highly commoditised, especially now in the internet age when buyers can compare the whole market from the comfort of their browser. If you attend a property networking event, you'll find that there is little concern about sales. Mostly, attendees are interested in two subjects: how to finance and buying at a discount to the market. We'll discuss finance in a subsequent chapter but it's instructive to look at the way success is gained in this market, and then to extrapolate this across all other markets.

Property investors are always looking for off-market opportunities that have motivated sellers standing behind them, because in their world that is where most of the margin of opportunity is. Given the piecemeal and lumpy nature of property, each transaction is negotiated separately, and much care goes into understanding the seller's needs and motivation, thus creating an opportunity to obtain a price advantage from them. When you are working with deals at this price level (hundreds of thousands or even millions), it is naturally worthwhile to do your homework and befriend the seller. You want to find out their motivation for selling and make yourself the most attractive buyer because of empathy or speed, then use this to give yourself a pricing advantage. Now, in the more regular world where individual transactions are a fraction of those in property, this is often forgotten, which is shocking because in aggregate all these costs are similarly huge.

In this more regular world of purchasing goods and services for resale by commercial businesses, we often get too comfortable with our supplier relationships. Therefore, deals that may have been competitive at the outset are sometimes not revisited, and deteriorate in relative competitiveness over time. We can get caught up in the general day-to-day stuff and we overlook probably the greatest opportunity we have to make a pretty much instantaneous improvement to our gross margin and bottom line profit – which is to renegotiate our input costs.

Negotiation is undoubtedly the quickest money you'll ever make. Even a two-minute phone call can result in thousands of pounds of additional profit over time. As in property, some homework on the seller's motivation and structure is pretty key because you will need to sell yourself to them as an ideal solution to their current issues. This is why buying a car is best done on the last day of the month or quarter, as the salesman, desperate to make his bonus for flogging just one more unit, will likely chuck in his children to secure a deal, never mind just a regular discount at that time.

Negotiation is defined as a discussion among individuals to reach a conclusion acceptable to one and all. It is a process whereby people, rather than fighting among themselves, sit together, evaluate the pros and cons, and then come out with an alternative that would provide a win win situation for all.

For example, Sam wanted to purchase a mobile handset. He tried his level best to buy it at the lowest possible rate, and the shopkeeper ensured that he could earn his profits as well. Thus, the negotiation benefited Sam, who didn't have to shell out loads of money, and the shopkeeper was also satisfied because he earned some profits.

Negotiation helps in reducing conflicts and disputes among each other. It is essential in every walk of life for peaceful and stress-free living.

The Four Models of Negotiation

1. Win Win Model

In this model, each and *every individual involved* in the negotiation wins. Nobody loses and everyone benefits. This is the most accepted model of negotiation.

Let's understand it with the help of an example:

Daniel wanted to buy a laptop but it was an expensive model. He went to the outlet and negotiated with the shopkeeper to lower the price. Initially the shopkeeper was reluctant but, after several rounds of discussions and persuasion, he quoted a price best suited to him as well as to Daniel. Daniel was extremely satisfied as he could now purchase the laptop without burning a hole in his pocket. The negotiation also benefited the store owner as he could earn his profits, plus he gained a loyal customer who would shop with him again in future too.

2. Win Lose Model

In this model, *one party wins and the other party loses.* After several rounds of discussions and negotiations, with this model one party benefits while the other remains dissatisfied.

Please refer to the above example once again, where Daniel wanted to buy a laptop. In this example, both Daniel and the store owner benefited from the deal. Let's suppose Daniel could not even afford the price quoted by the store owner and requested him to lower it further. If the store owner did further lower the price, he would not be able to earn his profits but Daniel would be very happy. Thus, after the negotiation, Daniel would be satisfied but the shopkeeper wouldn't. In a win lose model, both parties aren't satisfied. Only one of them walks away with the benefit.

3. Lose Lose Model

As the name suggests, in this model, the outcome of negotiation is *zero. No party is benefited out of this model.*

Had Daniel not purchased the laptop after several rounds of negotiation, neither he nor the store owner would have got anything out of the deal. Daniel would leave empty handed and the store owner would obviously earn nothing.

In this model, generally neither party is willing to accept the other's views, and both are reluctant to compromise.

4. RADPAC Model of Negotiation

The RADPAC Model of Negotiation is widely used in companies. It will definitely help you to systemise a strategy like this in your business.

Predictably, every letter in this model signifies something:

R – Rapport
A –
Analysis D
– Debate P
– Propose
A – Agreement
C – Close

R – Rapport: as the name suggests, this signifies the relationship between parties involved in negotiation. They should ideally be comfortable with each other and share a good rapport.

A – Analysis: one party must understand the second party well. It is important that the individuals understand each other's needs and interests. The shopkeeper must understand the customer's needs and pocket; in the same way, the customer mustn't ignore the shopkeeper's profits. People must listen to each other attentively.

D – Debate: nothing can be achieved without discussions. This round includes discussing issues among the parties involved in negotiation. The pros and cons of an idea are evaluated here. People debate with each other and each one tries to convince the other. No one must lose their temper in this round, but should remain calm and composed.

P – Propose: each individual proposes their best idea in this round, trying their hardest to come up with the optimum possible idea and to reach a conclusion acceptable to all.

A – Agreement: individuals come to a conclusion at this stage and agree to the best possible alternative.

C – Close: the negotiation is complete and individuals return satisfied.

Obviously getting at least two, and hopefully even three, quotes for everything will help you achieve a highly competitive price and a strong negotiating position. You should therefore make this a standard operating requirement, regardless of how attractive an initial quote seems and despite the fact that the salesman needs you to sign on the dotted line that day.

Beware the loading for loyalty! Nowadays, a lot of companies use the power of the internet and the discomfort and perceived inconvenience of change as a strategy to increase prices to their most loyal customers, as counter-intuitive as that sounds. Examples of this are stationery companies using algorithms that begin by quoting very low prices for repeatable commodities, such as paper, and then gradually increase the price to you with every new order. They then decrease it again if you slow or stop ordering. Many car insurers also operate like this. The aggregating insurance websites are generally linked to the insurers in any event, and most of the insurers that are on these sites purporting to be independent brands are all part of the same business too. Nine times out of ten, prices on renewal are substantially higher than those they quote for new customers, because they rely on the inertia and trust of customers and are prepared to lose a few strays along the way.

Negotiation skills are hugely valuable but, rather like with boxing, you have to be careful to always vary your initial approach.

Otherwise your regular suppliers will simply start playing the same game as you, and you'll find yourself side-lined. This is like in the souk, where sellers factor in a discount because both parties know how the game goes. It effectively becomes a zero-sum game in this case. It may be that sometimes you should go for price, sometimes for ancillaries such as delivery, and sometimes for payment terms. Obviously it is *absolutely key* that your supplier is able to make a profit because, if they fail, then ultimately that could have a negative outcome for you too i.e. lose lose. So you should work together with the supplier to understand their business dynamics, rather like in the example of the tech salesman on page 68.

The salesman is probably ultimately driven by the items' manufacturers, who often price in retrospective discounts for volume with their dealer network. It might be that you can also use a referral, which you may make in the normal course of events in any case, as a bargaining chip to bring down the cost.

Of course, this attitude doesn't just apply to your core proposition purchase, but actually to everything you buy; even small incidentals and grudge purchases such as utilities, or hidden purchases like credit card and bank commission and charges, as well as foreign exchange rates. Let's take a business that has, say, a million pounds of costs. If someone applies themselves for just half an hour a day for a year to taking 10% out of these, then they will have made the business an additional £100k profit for about 100 hours of time, which correlates to £1k per hour. So that's not bad paid work, is it? Again, check out the equation of business exercise at www.fundingnav.com to see the positive impact that can be achieved.

This is one of the main areas where Funding Nav succeeds: *slashing costs for its clients*. Often we get offered substantially lower costs than our clients across a broad range of products and services, such as forex, utilities, logistics etc, as we have much more volume aggregated across our client base than any trading business. Sometimes this is even from the clients' existing suppliers, who are suddenly exposed to increasing levels of external rigour. Please email me at stephen.sacks@fundingnav. com to get a cross quote or to sense-check any pricing that you've been quoted.

**Remember, in life we don't get what we deserve,
but what we negotiate.**

Key points

- Never *ever* accept anyone's first price for anything. If you don't ask for a discount, then you won't get one.
- Take time to understand your supplier's motivation and pain points and, if possible, help them. But at the same time, help yourself too.
- Change your tactics every time to prevent game playing.
- Always get other competitive quotes before purchasing anything*.
- RADPAC.

**Sometimes sellers become friends or were friends in the first place, and this can make the negotiation process difficult. I often encounter this situation with SME owners. In this case, you should still comparison shop and present your findings to your friendly supplier as a way to help them better understand the competitive market they are in. Hopefully, if they are a true friend, they will then take the initiative and offer you a price reduction unilaterally.*

7

Keep the Market Short to Charge a Premium to the Market Price

Pricing is key to an enterprise's success.

There are many ways to set prices but ultimately only one way to sustain them. This is to ensure that the market has more demand for what you are selling than you are able to supply. Most businesses perceive that they sell commoditised products and are therefore forced to sell at the market price. Indeed, setting prices at similar levels to competitors is a typical pricing strategy. The fact is, though, that there are numerous examples of subjective values being applied to products or services, which in many ways are similar to other commoditised products that are forced to sell at the market price.

Here are some examples of products and services where customers are willing to pay a significant premium of at least 100 times, despite the market being full of much cheaper, viable alternatives subjectively no better or worse at the job in hand than the expensive option.

Rolex vs Quartz watches – Quartz watches are actually more accurate than Swiss mechanical chronographs, yet people pay a massive premium for the status of the Swiss chronograph.

George Clooney vs anyone of the other half a million US screen actors – as attractive as he is, George suits some people but not others and is objectively not the best actor in America, yet he claims a massive premium from producers of motion pictures that he deigns to appear in when compared to most other actors.

Bentley vs Hyundai – both will get you to your destination in a similar time, but the Hyundai will do it statistically more reliably than the Bentley and at a hugely lower cost.

Jimmy Choo vs Aldo – Jimmy Choos may cripple you, but you can wear Aldos all day long for a fraction of the cost of the more exotic footwear choice.

The only key differences between each of these examples is that:

- All the expensive alternatives are kept in purposeful short supply (thank god for that in George Clooney's case – it would certainly make the market tougher for all other men if there were multiple Georges).
- The makers of the expensive alternatives have made a conscious effort to position themselves at the premium end of their respective markets, and to ask their customers for a high price.
- All the expensive alternatives have an additional quality to the cheaper competitor and this is generally around attraction. The fact is that consumers are attracted to Bentleys, Rolexes, Jimmy Choos and George Clooney emotionally, and they make irrational economic decisions in selecting these.

A recent and hilarious example of how keeping the market short drives enormous demand was demonstrated by the owner of *The Shed* in Dulwich. Now, the owner of this particular shed was formerly employed writing fake restaurant reviews on *Trip Advisor* for £10 each in order to boost the ratings of restaurants he had never visited. He decided to make his shed London's number-one-rated restaurant in a fascinating experiment.

He set up a website and bought a phone for £10. He then made up some dishes based on moods and took soft focus pictures of fake dishes that were largely constructed using sponge, shaving foam and paint. One picture was a fried egg on his foot on a plate. On 5 May 2017, *Trip Advisor* accepted his listing and he started out in last position of the 18,149 restaurants listed in London. He then got some friends to post some fake reviews and, in a few short weeks, his shed was in the top 10,000 restaurants rated on the website. Then the phone started ringing and genuine potential clients attempted to book. He obviously refused all bookings, claiming to be fully booked for months. The combination of this lack of availability, lack of address and by-appointment-only proposition proved so alluring that in another few weeks, he was in the top 1,500 and soon after, by August, at number 156.

Then things started to really get out of hand as *The Shed* began to receive free samples from companies, job applications, an email from the council offering a deal on a new site in Bromley, and an offer from an Australian TV production company looking to feature *The Shed* in a series of inflight videos about the world's best eateries. By winter 2017, *The Shed* was at number 30 in London and people were actively looking for the place physically. One day, emails started literally streaming in from across the world and the website was getting 89,000 hits in a day. The reason was that on 1 November 2017, *The Shed* became London's top-rated restaurant on *Trip Advisor*. But still not one genuine customer had been served. There were just 103 made-up reviews and a load of frustrated demand!

Since the phone was now getting in excess of 100 calls per day, they decided to actually try serving some meals. These were purchased from Iceland and served in *The Shed* and the garden in response to clients' moods. The first clients flew in from California – I kid you not!

The deception was then quickly uncovered and *The Shed* was delisted from *Trip Advisor*, but not before demonstrating the enormous power of combining positive feedback with a shortage of supply.

So, there you go: ensure you appear alluring and oversubscribed, and the rest is just detail. To be fair, at some point you will need the back-up to prove your credentials, but only after you are already flying high. It really is all about selling the sizzle and not the sausage!

The Four Classifications of Business

Now, made-up businesses are one thing, but there are only really four classifications of real businesses:

1. Successful lifestyle businesses
2. Unsuccessful lifestyle businesses
3. Successful larger growth businesses
4. Unsuccessful larger declining businesses

If the owner of a successful lifestyle business wants to, then she can become a successful growth business potentially. It is, however, unlikely that an unsuccessful lifestyle business can become a successful growth business without first becoming a successful lifestyle business. So, the key to success is to stay small longer than you need to, and really bootstrap your growth as far as possible. This is because necessity is the mother of invention: you will find more inventive ways of doing things, and you will soon begin to create a USP by necessity, since it is a way of growing profitability without growing resources or revenue. Only when you have nailed this – and I mean *really nailed this* – should you start to consider adding more capacity, as you will almost certainly experience a drop in profitability as you move from a successful lifestyle business to a growth business.

The reasons for this are multiple, but essentially there are three problems:

1. If you add another person doing what you are doing, then suddenly the premium you were charging over what you were selling may drop because you just doubled the supply – but maybe the demand didn't double.
2. Since you are most likely the best performer as you started the business, and now you need to spend part of your time managing someone else, it means you will have less time to engage with the front end of the business than before.
3. It is likely that there was a premium on what you were selling before because it came from you directly, i.e. direct from the source, whereas, if someone else is now delivering, then it's not the same and the premium may drop. This is especially true of service-based concepts.

So, think *carefully* before deciding on your ultimate goal. Nowadays it is perfectly possible to develop an amazing lifestyle business geared through technology, external associates and virtual assistants, where you can charge a real premium over the market because you can become the George Clooney of your industry. The move from there to becoming a successful growth business is strewn with obstacles and it’s likely that your premium and profitability will drop in the short to medium term. You will also find that the other reason you probably went into business, which was autonomy, will diminish too, as suddenly you have staff and resource issues to consider. Ultimately you may find yourself back on the corporate hamster wheel that you were trying to escape in the first place.

It is actually highly likely that you will struggle to expand until you hit the rather magic number of a team of 12*.

Honestly, pricing is at the core of lots of business issues that Funding Nav sees, and you need the balls to trial different pricing strategies until you find the optimum one for your business. However, this is so much easier when you are not on a treadmill with overbearing overheads or cash issues.

A typical example we saw recently was a company that was running at full capacity making vegetable snacks. It had a 30,000 square foot factory running 24/7, and yet it was losing money. When we saw them, they were seeking external capital to expand in order to become profitable.

Our advice was not to borrow to expand, but instead to change their pricing, and specifically to increase their prices by 10%, accepting that there would be a short-term drop in demand. This drop we recommended they fill with better quality customers attracted by the premium offer. We did ourselves out of the work of getting them funded because their plan to run faster and faster on the same hamster wheel wouldn’t have worked in the long term. There was no reason for the business to take on additional long-term commitments, or a distracting fund-raising exercise in the short term, when the answer was staring them in the face.

Price increases can be trialled and can always be reduced again if demand dries up 100%, which is what companies always fear is going to happen. I have never seen this, however, until of course Covid came along. But demand dropping to zero still wasn't a pricing issue.

Please visit the resource section at www.fundingnav.com to complete the spreadsheet that shows how small improvements in your numbers, especially pricing, will have a disproportionately positive impact on your bottom line.

Key Points

- Get your proposition nailed before even considering expansion.
- Even then, consider carefully your motivation for being in business.
- Create a niche for your business, and market strongly to that niche in a way that takes you out of having to price in response to the rest of the market.
- Don't be a busy fool. If you have low overheads, you can afford to be picky about what you take on. Then, because you are less busy, you will be able to really improve the offer to the customer, as you will have freed up so much time by not doing all the low-margin stuff. You then begin to really justify the premium that you charge.
- Remember that, in order to charge a premium to the market price, you only need to have a shortage in supply in the specific thing that you are selling. So, given that you aren't selling to the whole market, find the part of the market that will pay and market to them only.

**One of our partners has a really interesting piece of IP called red, blue, black. Basically, blue represents revenue-generating activities, black is management activities, and red is administration. Obviously, the key to success is to employ the maximum amount of blues with the optimum amount of reds and blacks in support. They have calculated and have evidence that the optimum number of staff for an SME is 12. It's like a soccer team including the manager, or an army platoon.*

8

Know Your Numbers

Rather like piloting an aeroplane in conditions of poor visibility, running a business can sometimes be disorientating. The pilot fixes onto points that are either incorrect or irrelevant when there are really key issues to focus on that are being conveniently ignored. This can easily lead you off into conflicting directions. The fact is that we humans are often emotional rather than logical creatures. We choose to focus on the areas of least pain rather than of most pain, which is where we should be focused. So typically, good news is latched on to and celebrated, whilst bad news is ignored or swept under the carpet. This will inevitably prove disastrous: either timely decisions are not taken or else the wrong decisions are made according to the comfort zone of the director, rather than according to the pressing requirement of the business.

It is therefore key that there are objective and up-to-date figures available to guide the decisions made within the business, so that actions taken will be at least guided by proper numbers. It is also useful if there is an independent stakeholder in the business who can hold the leader's feet to the fire. This can be one of the most fractious but also rewarding reasons to engage an independent advisor like Funding Nav – not just so that the issues can be pointed out, but also so that fixes can be both suggested and actioned quickly before things get critical or just diverted in the wrong direction.

There are numerous objective and subjective measures that relate to a business's success and, whilst some are common to all businesses, such as the cash flow and profit, others can be quite specific, such as houses for sale on an exclusive basis for estate agents, or occupation levels at a hotel. However, the main categories to measure are pretty similar across all businesses and the availability of numbers should relate to relevance and ease of production. So, some numbers might be difficult or expensive to produce frequently (such as staff surveys, which are tricky to produce monthly and probably of more value when viewed either quarterly or annually, which is fine), but others really must be available monthly.

What Needs Measuring

Typically, *cash flow* is the most important measure of a business's short- term health and serves as a summary of all the other factors at play. So, all businesses need to be watching that like a hawk because running out of cash is *always* critical.

Then, of course, there's *profit* which, like all the other measures, should be shown relative to the previous year and also relative to forecast.

The *sales and marketing* numbers obviously are key feeders into profit. These really need to be broken down as far as possible so that the sales pipeline can be analysed as well as the return on investment in both new and current sales, plus measures such as customer retention, sales per customer, sales per campaign, sales per agent or salesperson and, of course, margin on all these numbers too, if possible.

Then, *production and delivery* – so things like lead time and ancillary costs should be measured. And one measure that is often ignored (except in businesses that have very definite supply caps like hotels and airlines) is the measurement of spare capacity that can throw off a calculation of missed potential, or the opportunity cost of what you didn't do, but could have done, within the existing framework of infrastructure and costs. Businesses obsess over the numbers of what they did, but often ignore the measure of what they could have done!

The key here is to design a customised dashboard for your business that includes numbers you *need* to be looking at on a daily, weekly, monthly and quarterly basis. Not so many that it becomes onerous to produce and contains superfluous information, but not too few so that important stuff gets missed.

We have many examples of relevant dashboards that we have created and worked on with clients in many industries, so feel free to email me at stephen.sacks@fundingnav.com with a brief description of your company and industry type. I will then send you something you can work with that has worked well for a similar business to yours. We also have specialist software, which means we can easily analyse your numbers quickly and efficiently and feed back to you some specific and bespoke recommendations.

As with everything, having the information to hand is all very well, but the real gain is *acting on the numbers*. **Without action, you are wasting your time producing them.**

Key Points

- Work out what needs measuring.
- Make sure it is being measured accurately and in time.
- Make sure the leadership is being held to account and the elephant in the room is being addressed.
- Act on what you find.

9

Start With the End in Mind

Venture Capitalists, and to some extent Private Equity, are always totally ruthless, efficient investors, and demand huge performance from the companies in their portfolios. They always start with the end in mind. That is, they don't even consider an investment unless they have a highly profitable exit strategy planned. They then work from point A today to point B, which is their exit, in the quickest and most efficient way, so as to reach it as swiftly as possible and at the least possible cost.

Their decision-making is so much easier than it is for an owner manager, as their end game is always the same: to build and to recirculate their capital every three to five years through creating some kind of transaction. You, on the other hand, as a business owner, may need to consider a series of potential issues before deciding that an ultimate sale is your final goal.

- If you were to sell, would it be for enough to retire on? (Unlikely at current investment returns unless you have an amazing business and a very motivated buyer.)
- Family or staff succession issues.
- Legacy or social issues.
- Whether you have in fact achieved your business goal, which may be aspirational rather than financial.

Based on current returns of around 1% pa, you would need to bank £10m after tax to gain an investment income of just £100k pa. Given that a business that sells for north of £10m was probably generating profits of around £1m – £3m pa in the run up to the sale, it doesn't seem such a great deal unless you really need to get out or to access that kind of lump sum for some reason.

You may also consider a partial exit, where management get some skin in the game and work with you to grow the business in the future so that you can continue to draw dividends. This is, of course, fraught with risks that either the business won't run as well or you just won't be able to step back.

Legacy and social issues are very personal. It may be that your great-grandfather started the business a century ago and you feel that it must be passed on to the next generation; or else there is a local or social reason why the business should not be sold.

Whatever the ultimate strategy, it's always a good idea to have it in mind from as early as possible so that the business can be groomed to maximise the value and be encapsulated in a plan.

A strategic plan is a working document that establishes the direction of a company or work unit. It can be a single page or fill up a binder, depending on the size and complexity of the business and work.

Most managers would benefit from having their own strategic plan. The process of developing a plan helps the manager (and the team) to step back and examine where they are, where they want to go, and how to get there.

In the absence of a plan, work still gets done on a day-to-day basis but often lacks a sense of purpose and priority.

A Basic, Simplified, Strategic Plan

Here is a template for a basic, simplified, strategic plan that any manager can fill out, providing both long-term purpose and direction, and tactical operating plans. Whilst you could certainly complete the template alone, I recommend a more collaborative approach in order to get buy-in across the company.

Vision Statement

A vision statement is an aspirational statement of where you want your unit to be in the future. 'Future' is usually defined as the next three to five years, but it could be more. A vision should set the overall direction for the unit and team and should be bold and inspirational. A vision describes the *'what'* and the *'why'* for everything you do.

Here is an example vision statement from Zappos, the Amazon subsidiary from Las Vegas:

> *'One day, 30 per cent of all retail transactions in the US will be online. People will buy from the company with the best service and the best selection. Zappos.com will be that online store. Our hope is that our focus on service will allow us to wow our customers, our employees, our vendors, and our investors. We want Zappos. com to be known as a service company that happens to sell shoes, handbags, and anything and everything.'*

Mission Statement

While a vision describes where you want to be in the future, a mission statement describes what you do today. It often describes what you do, for whom, and how. Focusing on your mission each day should enable you to reach your vision. A mission statement could broaden your choices, and/ or narrow them.

Here is an example of a mission statement from Harley-Davidson:

> *'We fulfill dreams through the experience of motorcycling, by providing motorcyclists and the general public with an expanding line of motorcycles and branded products and services in selected market segments.'*

A vision and mission can also be combined in the same statement.

Here is an example from The Walt Disney Company:

> *'The mission of The Walt Disney Company is to be one of the world's leading producers and providers of entertainment and information. Using our portfolio of brands to differentiate our content, services, and consumer products, we seek to develop the most creative, innovative, and profitable entertainment experiences and related products in the world.'*

Note that the statement is both aspirational (*'to be one of the…'*), and descriptive of what they do and how they do it.

Core Values

Core values describe your beliefs and behaviours. They are the things you believe in that will enable you to achieve your vision and mission.

Here is an example of core values from the Coca-Cola Company:

> *'Leadership: The courage to shape a better future Collaboration: Leverage collective genius Integrity: Be real Accountability: If it is to be, it's up to me Passion: Committed in heart and mind Diversity: As inclusive as our brands Quality: What we do, we do well'.*

SWOT Analysis

SWOT stands for *strengths*, *weaknesses*, *opportunities* and *threats*. A SWOT analysis sums up where you are now and provides ideas on what you need to focus on.

Long-Term Goals

Long-term goals are three to five statements that drill down a level below the vision and describe how you plan to achieve that vision.

Yearly Objectives

Each long-term goal should have a few (three to five) one-year objectives that advance your goals. Each objective should be as *'SMART'* as possible: *Specific, Measurable, Achievable, Realistic,* and *Time-based*.

Action Plans

Each objective should have a plan that details how the objective will be achieved. The amount of detail depends on the complexity of the objective.

Note that the strategic plan starts at the highest level (vision) and then gets more specific. *Both are important.*

It's been said that, *"A vision without a plan is just a dream. A plan without a vision is just drudgery. But a vision with a plan can change the world".*

The fact is that for any of these outcomes to succeed it is key that you, the owner, take progressive steps back in order that management can take on the mantle. So investment in skills and training is key, and trust needs to be built from as early as possible.

Your input should be to work on the business rather than in it from the earliest possible point if you want to maximise its value both to yourself and to any potential acquirer.

Using an external resource such as Funding Nav can be a massive benefit in helping to create both a strategic plan and also a structure that can maximise a business's attractiveness, value and, ultimately, its potential saleability.

It is also helpful to think about stakeholders, and other potential investors' motivation in creating an exit or partial exit. Years ago, I sold a bed linen retail business to an online consolidator who had just acquired a new warehouse/distribution centre and was actively seeking to amortise his investment by adding a volume-based online player to his portfolio, basically in order to fill his warehouse (crazy, I know!). As a result of this, we were able to sell for a considerable premium relative to what we would have got from a purely financial investor.

Key Points

- Make yourself redundant from the day-to-day as quickly as possible and work on improving the business.
- Try to think about your own personal goals and work towards facilitating those from day one.
- If you decide that a sale is your goal, then start to position the business as early as possible in a sweet spot for a potential acquirer. It is helpful if there is more than one potential acquirer as ultimately it takes two to create an auction, which is the only time when prices really accelerate.
- Think seriously about using an external advisor to guide you on your journey and to offer an objective point of view.
- Draw up a strategic plan and use it as a working, live document.

PART 2

RAISING FUNDS

An Introduction to Raising Funds and Glossary of Terms

When I was running SME trading businesses before setting up Funding Nav, raising funds was always a challenge. Unlike larger companies that have a whole department called Finance (and maybe one called Treasury too), as well as a myriad of advisors looking to add value, the lonely SME leader needs to add fund-raising to his or her long, required list of skills.

Apart from a lack of advice and possibly options, SME leaders also have less value at their disposal. It always makes me laugh when I hear government banging on about how the small business sector is the engine of the economy, yet they prevail over a situation where larger businesses can borrow at a few points over base, and where the CEO gets an enormous salary for taking absolutely no personal risk at all.

In the so-called 'engine' in this gleaming example of double-standard economic management, however, the leader is saddled with two issues:

1. Debt costs substantially more than it does for larger businesses; often more than twice as much.
2. It is generally expected and accepted that, in the event of the enterprise failing, the director(s) will repay the debt, even at the cost of their own family home, through the signing of rather onerous personal guarantees that totally remove the protection of limited liability from them.

So, the so-called ‘highly-valued’ entrepreneurs of our small-business-powered economy are doubly disadvantaged, and sometimes permanently financially crippled by this ridiculous situation, whilst the leaders of larger businesses are richly rewarded regardless of their risk exposure. Most ridiculously of all, the leaders of our banks are able to get the government to underwrite their errors and have the tax payer bail their banks out, whilst they continue to draw multi-million-pound salaries regardless of their errors.

Now, admittedly Antonio Horta Osorio, the CEO of *Lloyds Bank*, wasn’t responsible for the problems the bank found itself in after its disastrous takeover of HBOS in the teeth of the financial crisis, as he only took over in 2011. Nonetheless, he soon managed to find himself in the midst of a nervous breakdown as he got to grips with the issues that it caused. But he still had his multi-million-pound salary, even after a small cut following his extra-marital affair with Wendy Piatt and a trip to *The Priory* to sort his head out. Now, just imagine if he’d also had to cope with the prospect of no salary, the bank foreclosing on his house, and no money to afford the luxury of private rehab normally reserved for celebrities, as the cost of potential failure. The mental anxiety that paralysed him as he fought to deal with the bank’s issues would have been multiplied and his ability to gain support reduced. The outcome could have been tragic!

Well, guess what, Antonio’s bank has a whole department that is designed specifically to force failed entrepreneurs out of their houses, and potentially bankrupt them if their companies are unable to repay loans that were taken out with guarantees secured over the family home. Yet it sees no irony in taking bailouts from the government for its own lack of judgement, sending its CEO to *The Priory* for stress issues, whilst at the same time foreclosing on its SME customers and, in some cases, taking their family homes for itself while claiming to be supportive to business. Go figure!

OK, rant over!! But that inequality, in a nutshell, was my motivation for launching Funding Nav.

I wanted to create a resource that SME company owners could turn to that would advise them on:

1. Their case for funding and indeed where there are other free alternatives, such as with the snack company example earlier.
2. Whether borrowing is the correct route, and then where to go at least cost and risk.
3. How to deal with aggressive lenders if their back is against the wall.

It's actually quite complex, and I've found in my own experience in business that local advisors and accountants are often ill-advised themselves. Generally, there isn't just a single answer to a funding question but a myriad of alternatives that are sometimes complimentary and sometimes conflicting. They are ever-changing and therefore it is key that directors are abreast of new innovations and ideas.

Now, having slagged off the UK's small business infrastructure from a debt perspective, I will say that, from a tax and regulations perspective, it is one of the *best places in the world* to equity fund a business, run a business and sell a business. Sometimes when we are advising overseas interests on strategy, one of the first suggestions we make is that they incorporate and fund a UK-based business, and then use that as a holding company to acquire their overseas interests.

The mixture of SEIS, EIS, very advanced crowdfunding and angel networks, low rates of corporate tax, R&D tax credits and entrepreneur's relief on the sale of an enterprise make the UK unbelievably attractive from this perspective.

I have attempted to set out here an explanation of and a reference to many of the terms used in the industry, and to explain some of the ideas that we regularly use at Funding Nav in order to deliver enterprises our promise of getting them funding. This is, however, by no means comprehensive, as space dictates, but it is certainly a good start. Again, I'm happy to respond to readers' specific enquiries about their own company situation by email at stephen.sacks@fundingnav.com.

Now, there are essentially *five ways* to increase the working capital available to you within your business:

1. Retaining more profits
2. Better managing the cash flow
3. Free cash sources
4. Selling equity
5. Taking on debt

Obviously options 1 to 3 are a given as prudent management techniques, and 1 and 2 are covered off specifically in section 3 of this book. What I will do, therefore, in this section, is focus specifically on external cash resources* that you should investigate fully before committing yourself to a particular strategy.

Glossary of Funding Terms

The world of funding is awash with acronyms and terminology that you need to understand. Here is a short and by no means exhaustive list that you can refer to:

‘A’ round

The first major round of business financing by private equity investors or venture capitalists. In private equity investing, an ‘A’ round, or Series A financing, is usually in the form of convertible preferred stock. An ‘A’ round by external investors generally takes place after the founders have used their seed money to provide a ‘proof of concept’ demonstrating that their business concept is viable and profitable.

Articles of association agreement

Set out how the company is run, governed and owned. The agreement puts restrictions on the company’s powers, which is useful as the shareholders’ approval will be needed before directors can pursue independent courses of action.

Accelerator

Provides expert advice, mentoring, practical and technical support to groups of new ventures over several months, worth thousands of pounds, in return for a small percentage of the equity. Some accelerators invest equity capital, convertible loans or do nothingetc.at all. Others buy an equity stake in the future.

Assets

Anything owned by the company having a monetary value, e.g. ‘fixed’ assets like buildings, plant and machinery, vehicles, and often including intangibles like trademarks and brand names, and ‘current’ assets, such as stock, debtors and cash.

Asset finance

Finance secured on assets includes debt instruments, such as asset finance (leasing or hire purchase) and asset-based finance (invoice discounting, factoring, asset-based lending (ABL) and supply chain finance). These are provided by most banks and specialist asset finance and asset-based finance companies, including some online platforms.

Asset-based lending (ABL)

In an instance where an individual borrows money to buy, for example, a home or even a car, the house or the vehicle serves as collateral for the loan. If the loan is not then repaid in the specified time period, it falls into default, and the lender may then seize the car or the house in order to pay off the amount of the loan.

Asset-based finance (ABF)

Typically used by businesses that tend to borrow against assets they currently own. Accounts receivable, inventory, machinery, and even buildings and warehouses may be offered as collateral on a loan. These loans are almost always used for short-term funding needs, such as cash to pay employee wages or to purchase the raw materials needed to produce the goods that are sold. If other assets are used in order to help the individual qualify for the loan, they are generally not considered direct collateral on the amount of the loan.

'B' round

Second round of financing for a business through any type of investment, including private equity investors and venture capitalists, generally taking place when the company has accomplished certain milestones in developing its business.

Bank loan

Common form of finance for business as it provides medium or long-term finance. The bank sets the fixed period over which the loan is provided (e.g. ten or five years), the rate of interest and the timing and amount of repayments.

Bonds and mini-bonds

Bonds – retail bonds or corporate bonds – are a way for companies to borrow money from investors in return for regular interest payments. They are debt securities, bought and sold on a market. Large companies might be able to borrow money by issuing bonds to investors.

Business angels

Private investors who support early stage businesses and make equity investments in businesses with growth potential, those in the early stages of development, or in established businesses looking for expansion capital, in return for an equity stake. Angels back high-risk opportunities with the potential for high returns.

Cash advance

Unsecured advances of cash based upon future credit and debit card sales, often used as an alternative source of debt financing to bank loans. Your business is advanced money, and you repay it from a portion of your future sales. You pay a fee for the advance, but the application process can be extremely quick and you can get up to a few hundred thousand pounds. In general, there are no fixed monthly payments, APR or hidden fees. Just one single cost needs to be agreed upfront and can be paid back as a small percentage from your future customer card transactions.

Corporate venture capital (CVC)

Equity investment – also known as corporate venture finance – is undertaken by a corporation, or its investment entity, into a high-growth and high-potential, privately held business. The financial investment is made in return for an equity stake in the business, offering debt finance to fund growth activities for an agreed return. Non-financial support may be offered for an agreed return, such as providing access to established marketing or distribution channels, or a knowledge transfer.

Crowdfunding

Crowd of people donate or raise a defined amount of money for a specific cause or project in exchange for various rewards. Online networks, social media and crowdfunding websites make this an effective way to bring investors and entrepreneurs together. Crowdfunding falls under three broad categories: debt, equity or donation. Equity-based crowdfunding is asking a crowd to donate to your business or project in exchange for equity, whereas donation or rewards-based crowdfunding is asking a crowd to donate to your project in exchange for tangible, non-monetary rewards such as a t-shirt, pre-released CD, or the finished product. Debt-based crowdfunding is asking a crowd to donate to your business or business project in exchange for financial return and/or interest at a future date.

Debt finance

Debt is an arrangement between a borrower and a lender. A capital sum is borrowed from the lender on the condition that the amount borrowed is paid back in full either at a later date, multiple dates, or over a period of time. Interest is accrued on the debt and the business's repayment usually has an element of capital repayment and interest. It can include lending for working capital, for business growth, or for longer-term investment. Unlike equity, debt does not involve relinquishing any share in ownership or control of a business. However, a lender is far less likely to help a business hone its strategy than a business angel or venture capital investor. There are three broad streams of debt: loans and overdrafts; finance secured on assets; and fixed-income debt securities.

Deed of Adherence

Short document for use where an individual becomes a shareholder in a company. It is used when a party is investing in a company where the original shareholders have signed a Shareholders' Agreement or Joint Venture Agreement, which requires any new shareholder to become a party to the original agreement.

Dilution

Reduction in the ownership percentage of a share of stock caused by the issuance of new shares. Dilution can also occur when holders of stock options, such as company employees, or holders of other securities, exercise their options. When the number of shares outstanding increases, each existing stockholder owns a smaller or diluted percentage of the company, making each share less valuable.

Dividends

The discretionary share of annual profits not retained by the company.

Drag-along right

The majority shareholder of a company has the right to force a minority shareholder to join in the sale of a company. This right protects the majority shareholder as it prevents any future situation in which a minority shareholder has the ability to block the sale of a company that has already been approved by the majority shareholder, or a collective majority of existing shareholders.

Due diligence

Checks performed by lenders and investors before deciding whether to invest in any company. It helps funders and lenders to understand the risks and potential of the business, and to negotiate with the organisation regarding anything that causes them particular concern. Founders also need to carry out due diligence on private investors.

Enterprise Investment Scheme (EIS)

Designed to help smaller, higher-risk companies raise finance by offering tax relief on new shares in those companies that qualify. It is also a tax- efficient way to invest in small companies – up to £1,000,000 per person per year in qualifying companies. People can invest up to £1,000,000 in any tax year and receive 30% tax relief, but they are locked into the scheme for a minimum of three years.

Equity crowdfunding

Unlike rewards-based crowdfunding, which is usually based on donations and goodwill support, equity crowdfunding involves networks of small investors backing early-stage businesses via online networks, whose primary motivation is a financial return. It allows start-up companies to raise money without giving up control to venture capital investors, and it offers investors the opportunity to earn an equity position in the venture. The Securities and Exchange Commission (SEC) regulates investments in equity-based crowdfunding ventures.

Equity finance

Equity is the raising of capital through the sale of shares in a business, or equity can be sold to third-party investors with no existing stake in the business. Equity financing can be raised solely from existing shareholders, through a rights issue. In terms of investment strategies, equity (stocks) is one of the principal asset classes. The other two are fixed-income (bonds) and cash/cash-equivalents. These are used in asset allocation to plan a desired risk and return profile for an investor's portfolio. These variants of equity all share the common thread that equity is the value of an asset after deducting the value of liabilities. The equity of a business can be determined by its value (factoring in any owned land, buildings, capital goods, inventory and earnings) and deducting liabilities (including debts and overheads). Equity represents the real value of one's stake in an investment; thus investors who hold stock in a company are usually interested in their own personal equity in the company, represented by their shares.

Equity investors

Their ordinary shares do not have a right to interest payments nor is their capital to be repaid by a particular date. Instead, if the business has been successful, their return comes from dividends paid out of profits or from a capital gain on the sale of the shares to other parties.

Exit Strategy

Contingency plan executed by an investor, trader, venture capitalist or business owner to liquidate a position in financial assets or to dispose of tangible business assets once certain predetermined criteria for either has been met or exceeded. An exit strategy may be executed to close a business that is not generating profits; thus the purpose of the exit strategy is to limit losses.

Export finance

Helps mitigate risks such as default or delayed payment. Businesses need to be sure they can afford to produce the goods and that they will be paid. The UK Export Finance Agency helps exporters by providing them with insurance, and guarantees to banks, to share the risks of providing export finance. They can make loans to overseas buyers of goods and services from the UK.

Grant

Non-repayable funds or products disbursed by a grant maker, often a government department, corporation, foundation or trust, to a recipient, frequently a non-profit entity, educational institution, business or an individual. Most grants are made to fund a specific project and require some level of compliance and reporting.

Growth finance

Company's use of debt, equity and hybrid financing techniques to achieve business expansion in a cost-effective manner. The focus is on identifying the optimal financing solution for a company. This occurs when the cost and flexibility of the financing structure is linked to the company's cash- flow-based value and growth potential.

Initial public offering/IPO

First time the stock of a private company is offered to the public. IPOs are often issued by smaller, younger companies seeking capital to expand, but they can also be carried out by large, privately owned companies looking to become publicly traded. In an IPO, the issuer obtains the assistance of an underwriting firm, which helps determine what type of security to issue, the best offering price, the amount of shares to be issued and the time to bring it to market.

Investment agreement

Contract establishing the terms of an investment. The contract typically specifies such things as the amount of the investment and the rights of the investor.

Investor protection

Commercial law is enforced to protect investors from expropriation (the taking away of money or property from the owner for public use and without paying the owner) from company insiders.

Invoice finance

Part of the stream of asset finance whereby businesses borrow money based on amounts due from customers. Invoice financing helps businesses improve cash flow, pay employees and suppliers, and reinvest in operations and growth earlier than they could if they had to wait until their customers paid them. Businesses pay a percentage of the invoice amount to the lender as a fee for borrowing the money. Invoice financing can solve problems associated with customers taking a long time to pay and difficulties obtaining other types of business credit.

Key person insurance

Life insurance on the key person in a business. In small or medium enterprises (SMEs), this is usually the owner, the founders or perhaps a key employee or two. These are the people who are crucial to a business.

Lease financing/hire purchase

Both the options of financing assets. To possess and control an asset during an agreed term, individuals lease or hire and pay rent or instalments covering depreciation of the asset, and interest to cover capital lost. With lease financing, ownership lies with the lessor; the lessee has the right to use the equipment and does not have the option to purchase. On the other hand, hire purchasing gives the hirer the option to purchase, and the hirer becomes the owner of the asset after the last instalment is paid. Leasing and hire purchase are types of finance used by businesses to obtain a wide range of assets – everything from office equipment to vehicles – and is effective if equipment is needed, which would otherwise be unaffordable because of cash-flow constraints.

Liquidity

Degree to which an asset or security can be quickly bought or sold in the market without affecting the assets price. Market liquidity refers to the extent to which the assets can be bought and sold at stable prices on the stock market.

Loan

Debt financing includes both secured and unsecured loans. Security involves a form of collateral as an assurance the loan will be repaid. If the debtor defaults on the loan, that collateral is forfeited to satisfy payment of the debt. Most lenders will ask for some sort of security on a loan as most will not lend money based on a name or idea alone.

Overdraft

Allows you to borrow money through your current account. It should only be used for emergencies or short-term borrowing as unarranged overdrafts can have costly interest rates. An arranged overdraft is a type of loan that can be pre-approved, and you can borrow up to that limit. The fees and any interest-free threshold will differ depending on the type of account you have with your bank.

Mezzanine financing

Short-term solution mixing both debt and equity finance where a company replaces the capital that equity investors would otherwise have to provide. Owners can sacrifice control and upside potential due to the loss of equity. Owners also pay more in interest the longer mezzanine financing is in effect. It represents a claim on a company's assets, which is senior only to that of the common shares. Mezzanine financing can be structured either as debt (typically an unsecured and subordinated note) or as preferred stock.

Private equity

Investment institutions back growth-capital deals or buyouts of businesses, usually with the goal of rapid expansion. Institutions make medium to long-term investments in, or offer growth capital to, companies with high-growth potential. Private equity investors usually improve the profitability of the business through operational improvements, and aim to grow revenue through investment in product lines or new services, or expansion into new territories. They will also typically introduce corporate disciplines and a management structure to the business, to give it a platform on which it can grow further.

Peer-to-peer lending

Form of debt funding where internet-based platforms are used to match lenders with borrowers, without the use of an official financial institution as an intermediary (also known as crowdlending). You place your borrowing needs online and potential lenders bid on your loan by agreeing to provide the requested loan at a given interest rate and fixed repayment schedule. Funds can be provided by investors around the globe and this is an effective form of alternative debt funding, as it's a new way for businesses to have access to flexible finance.

Preemptive rights

Securing preemptive rights at the time of initial stock purchase can prevent the shareholder from diluting his ownership percentage at a later date. A preemptive right is a privilege that may be extended to certain shareholders, granting them the right to purchase additional shares in the company, prior to shares being made available for purchase by the general public. The right is written into the contract between the stock purchaser and the company.

Rewards-based crowdfunding

Effectively a donation towards the development of a new project, technology or performance. Funders will not receive a financial return, but will instead be rewarded with, for example, taking part in a first run, seeing a first show, receiving a first product or even beta testing a game or trying out a prototype.

Secondary market

Investors buy and sell securities they already own. It's what most people typically think of as the 'stock market', though stocks are also sold on the primary market when they are first issued.

Seed capital

Initial capital used when starting a business, often coming from the founders' personal assets, friends or family, for covering initial operating expenses and attracting venture capitalists. This type of funding is often obtained in exchange for an equity stake in the enterprise, with less formal contractual overhead than standard equity financing. It is typically used to finance early product development and to test a business plan.

Seed stage

Initial or setup stage of a new business or venture where the entrepreneur approaches investors, including friends, family and angel investors, in seeking financial support for their idea, concept or product. These investors typically initiate a high-level investigation into the technical, market and economic feasibility of the idea in consideration of the opportunity.

Seed Enterprise Investment Scheme (SEIS)

Incredibly generous derivative of the Enterprise Investment Scheme (EIS) and was introduced in April 2012. Its aim is to encourage seed investment in early-stage companies. Investors, including directors, can receive initial tax relief of 50% on investments up to £100,000, and Capital Gains Tax (CGT) exemption for any gains on the SEIS shares.

Shareholder agreement

Well-drafted agreement between the shareholders, which acts as a safeguard and gives protection against both the business enterprise and their investment in the company. It establishes a fair relationship between the shareholders and governs how the company is run.

Start-up loans

Unsecured personal loans for entrepreneurs who are looking to start a business. Most start-up loans are structured on a monthly repayment schedule, based on a loan repayment term of between one and five years. There is mentoring and support given to start-ups to help the start of your business venture. Nevertheless, remember that it will be your personal responsibility to make loan repayments if your business does not succeed. Due to limited revenue or high costs, most start-up businesses are not successful in the long term without additional funding from venture capitalists.

Subscription agreement

Application by an investor to join a limited partnership – when two or more partners unite to jointly conduct a business in which one or more of the partners is liable only to the extent of the amount of money that partner has invested – and it is also used to sell stock shares in a private company. All limited partners must be approved by the general partner.

Tag-along right

Contractual obligation used to protect a minority shareholder, usually in a venture capital deal. If a majority shareholder sells his stake, it gives the minority shareholder the right to join the transaction and sell his minority stake in the company, also giving a minority shareholder the ability to capitalise on a deal where a larger financial institution has more power.

Tax reliefs

These reliefs allow companies to claim substantial deductions in (or tax credits against) corporation tax for some of their investment in new production.

Term sheet

A non-binding agreement setting forth the basic terms and conditions under which an investment will be made. A term sheet serves as a template to develop more detailed legal documents. Once the parties involved reach an agreement on the details laid out in the term sheet, a binding agreement or contract that conforms to the term sheet details is then drawn up.

Trade finance

Can help to settle the opposing needs of the exporter and the importer. The function of trade finance is to act as a third party to remove both the payment risk and supply risk, whilst providing the exporter with accelerated receivables and the importer with extended credit. Banks and financial institutions can facilitate these transactions by financing the trade, assisting businesses in purchasing goods, whether from international or domestic sellers.

Valuation

The process whereby the current worth of an asset or a company is determined. When a security trades on an exchange, buyers and sellers determine the market value of a stock or bond.

Venture capital (VC)

This is a type of private equity, a form of financing that is provided by firms or funds to small, early-stage, emerging firms that are deemed to have high-growth potential, or which have demonstrated high growth (in terms of number of employees, annual revenue, or both). Venture capital firms or funds invest in these early-stage companies in exchange for equity – an ownership stake – in the companies they invest in.

Venture capitalists (private)

They invest in businesses with the potential for high returns – those with products or services with a unique selling point or competitive advantage. They invest in a portfolio where a significant number of businesses may fail, so those that succeed have to compensate for those losses. They also want proven track records so rarely invest at the start-up stage.

Venture capitalists (VCs)

Professional investors in early-stage, unlisted ventures – mainly in knowledge-based, high-tech or digital/online sectors – who manage formal investment funds that they have raised from financial institutions, companies and wealthy individuals.

10

Free Cash

R&D Tax Credits

The UK rate of corporation tax (on profits) is already at a historical low of 19% at the time of writing, but for companies that invest in risky or novel ideas that relate to their products, services or processes, further discounts or even refunds are allowed. These are particularly generous for small to medium-sized businesses with under 500 employees. Effectively, they allow the claiming company to multiply their relevant costs by 2.3 for accounting purposes only, and to go back and reclaim the last two financial years.

This is by no means an easy process and certainly not automated like payroll taxes and sales taxes, which are calculated simply and arithmetically. Successful reclaim of R&D requires the company to submit both a narrative case to HMRC setting out the story behind the project, and the allowable costs. It is highly subjective and is best undertaken by an external consultant who does this all the time. R&D reclaim demands a lot of lateral thinking, and some of the more successful claims that Funding Nav have completed for clients on a 'no win no fee' basis have related to failed projects that were subsequently canned. This is because failure is great proof that the project was risky, but there is R&D to be found across businesses in surprising places.

We have managed to reclaim six-figure sums for businesses as diverse as cafés, TV production, recruitment and fashion companies. It is interesting that there is normally internal resistance from the FD when we suggest it because they don't really understand how to maximise the impact of R&D reclaims. I suppose sometimes they are also reticent because they feel they should have suggested it themselves.

Some industries, such as video games and film, have enhanced schemes, and businesses that hold patents are able to register for the patent box scheme, which is a very generous tax break ongoing.

The government are pretty keen on paying out under this scheme as they see, on average, £6 in additional taxation raised over time by companies that have reclaimed R&D for every £1 that they paid out, because obviously research, development and innovation generally drive higher profitability and more employment and tax-take over time.

Again, please *email me personally* at stephen.sacks@fundingnav.com if you want to discuss your specific case.

Grants*

Whilst R&D is a pretty common if somewhat underused resource, grants are an *increasingly rare commodity*. This has nothing to do with their availability, as you can see from the somewhat lengthy list featured here, but more to do with the perceived difficulty of obtaining this enormously valuable resource of free cash.

As with R&D tax credits, the devil is definitely in the detail in applying for what is generally government money to subsidise your venture. Writing the application is a key and lengthy task that should really be done by someone who is experienced, with a comprehensive understanding of the vagaries of the system.

Please *email me* at stephen.sacks@fundingnav.com if you have a project that you believe deserves grant funding. I can then let you know next steps and indeed if this is a worthwhile or likely opportunity for your business.

**The information listed under the Grants section has been sourced from https://entrepreneurhandbook.co.uk/grants-loans/ and was accurate at the time of print.*

Meanwhile, here is a pretty comprehensive list of what's currently available, but bear in mind that the position with grant money is that it's highly fluid, and schemes open and close frequently and often without notice. All the funding details below were correct at the time this book went to print. However, if you notice that any grants are no longer available, then please either search in your browser or head over to www. fundingnav.com for the latest information.

That concludes the round-up of grants available. As you can see, there is money out there to support you in your venture if you know where to look. However, whilst correct at the time of going to press, this is probably not a comprehensive list and will certainly be subject to ongoing change. Funding Nav tries to stay abreast of these changes and can advise on any current opportunities should you be in the market for grant funding.

Other Ways of Getting Free Cash

Asset utilisation

You know the feeling of finding a pound coin under the cushion of your sofa, or a forgotten ten pound note in a pair of trousers you haven't worn for some time? Well, that's the idea behind this strategy that is always one of the first things Funding Nav looks at when we come into a new client's business.

Businesses don't grow in straight lines, do they? Generally, they create demand and then increase their capacity so that they can match it with their supply. But often, supply moves ahead of demand because you generally can't increase your facilities, such as office or warehouse space, in a smooth, straight line, as the cost and inconvenience of change is too high. So, businesses can run with surplus capacity of space, desks, human resources, distribution or delivery.

Alternatively, even when a business claims to be running at full capacity, it is surprising how the office can be reformatted to fit in an additional couple of desks, or the warehouse rejigged to include an additional ten pallets, or the van rerouted to make ten additional drop offs each week. Well, guess what, this additional capacity has an opportunity cost for each day that it's under-utilised. Desks are rented at c£500 pcm in London by Weworks and The Office Group, so yours have a definite value depending on your location and the quality of the office and services you are including.

Pursuing this strategy can often seem like a pointless diversion to businesses, but through it, Funding Nav often finds £25k of additional income per annum. This can subsidise an extra staff member or correlate to an additional £250k of added equity value if your business sells on ten times earnings.

There are websites you can use to advertise your capacity, such as sharemyoffice.com, and this is an area where Funding Nav is planning to launch a specific offering, so keep an eye on the website.

There are also a couple of Australian-based trading exchanges. These enable you to trade your surplus capacity, which might have little or no value to you (for example, hotel rooms in winter), with other members who could offer you their own surplus capacity to your benefit. Think of the possibilities with, say, printing or marketing services. Check out Bartercard and BBX if this is of interest.

Partner or incubate with a large company

For many big businesses, their most effective R&D is in fact M&A (mergers and acquisitions). It happens across all industries but especially in the fast-moving world of tech. However, examples include Coca Cola's purchase of Innocent Smoothies, McDonald's purchase of Pret and Google's purchase of *DocVerse*, which allowed Google to accelerate the adoption of its Google Docs product. In fact, Google has bought a company every two weeks over the last year, and that may well represent the best value exit that the acquired company founders will achieve, since they will get some leverage against the value they will bring to the behemoth. Same with Facebook and Amazon etc.

In a similar way that private equity likes to court businesses in advance of acquisition, ditto large potential trade acquirers. They may offer you free space at their offices, free advice and, most valuable of all, a scaledup contract that will enable you to create early economies of scale and therefore profit. Google, of course, operate their Campus Incubator in London as well as Madrid, Sao Paolo, Seoul, Tel Aviv and Warsaw as a way to engage with start-ups on an exclusive basis.

John Lewis, the British department store chain favoured by Middle England, is an unlikely source of the latest technology breakthrough. But the retailer is one of an increasingly diverse range of UK companies to invest in home-grown start-ups. They hope that by working with disruptive technologies from an early stage, they will not lose business to them later – or have to buy them out at high valuations. Technology and finance groups, such as Microsoft and Barclays, have been running start- up accelerators for years. They are now being joined by a more unusual cast of peers, including retailers Topshop and Asos, betting group William Hill, and even windscreen repair group Autoglass.

Funding Nav offers specialist matching services in this area, and a really effective service at creating engagement between big businesses and smaller businesses to their mutual advantage.

ICOs

Initial Coin Offerings are unquestionably the bright new shiny thing in the fund raiser's armoury. I am, however, somewhat nervous about including this phenomena in something as permanent as a book because, by the time you read this, the whole thing might have blown over. Or maybe it will have rendered all other fundraising virtually redundant. The explosive recent growth in the value of Bitcoin has heightened investors' (and naysayers') interest in cryptocurrencies over the course of 2017 for sure.

Cryptocurrencies are essentially the same as money, but without the backing of a country to stand behind them. I know many don't agree and point to the high level of failure and fraud but, to be fair, there are numerous examples of currencies that were destroyed by inflation despite having the backing of a nation. There are also examples of value being destroyed overnight by the banning of certain cash denominations, such as high value Indian rupee bank notes and, of course, the introduction of the Euro. This left billions of Lire and Drachma valueless, as their owners were unable to go to the bank to swap them for fear of opening a serious can of money laundering worms.

Money laundering is a major issue with cryptocurrencies according to its critics, but ironically, because it operates on Blockchain technology (which means that every transaction is recorded and indelible), it should theoretically be more difficult to hide dodgy crypto transactions than it is cash ones. There were hundreds of ICOs in 2017 where investors swapped fiat (nation-based) currency for crypto currency. As Bitcoin, the most popular, accelerates in value beyond most investors' reach, they have sought newer tokens that are connected to businesses and are sold at a discount in an Initial Coin Offering. Unlike in a sale of shares, the investor owns no part of the equity of the business, but instead tokens that can be traded on the company's platform. They buy these either because they want to use them in the future as a buyer of the company's services, or because they hope or expect that the tokens will increase in value and that they will be able to sell them at a profit to a secondary investor. It's a bit like investing in the game of Monopoly – not by buying shares in its makers Waddington's, but instead by buying Monopoly currency which then becomes the only way to play the game.

So, how can you use this mechanism to raise money for your business?

Well, first, all the successful ICOs I've seen have used Blockchain at their core and not as an add-on. Therefore, you need to have a Blockchain- based tokenised system of exchange deep within your business model. Then, you need to produce a finite amount of tokens and sell some of them as a way of raising money for your venture. The advantages to the entrepreneur are obvious: there is currently little regulation in this area and you can raise as much money as you like without creating either a debt or equity liability.

The ICO process goes beyond what I've written above, somewhat similar to crowdfunding.

At the time of writing, Funding Nav has yet to facilitate an ICO, but I was recently very close to Cashaa, a start-up that raised $10m in a month by selling Etherium-based CAS tokens in November and December 2017. Their business model is to facilitate the ability of the world's unbanked, especially in the Third World, to transfer value, rather like a Western Union but without the enormous costs and infrastructure. We were also involved in raising funds for an internet marketing business that valued itself at just £2m but, following the production of a white paper, decided that its value had increased to £10m literally in a month pre-ICO.

An example of the issues of lack of regulation and the enormous hunger for tokens is UET, which has raised $215k to date, according to their website. Not that impressive when compared to Cashaa or some of the most successful ICOs of the last year that have raised sums in excess of $100m. However, it is actually quite impressive when you consider that, if any of the investors had bothered to read the white paper that accompanied the raise, they might have noticed that the sponsors were quite clear in stating that UET actually stood for Useless Etherium Token and that its purpose was this message: 'You're going to give some random person on the internet money, and they're going to take it and go buy stuff with it. Probably electronics, to be honest. Maybe even a big-screen television. Seriously, don't buy these tokens.'

For more, go to the hilariously honest https://uetoken.com/.

I know I gave Bernie Madoff as a glowing example of a marketing genius in an earlier chapter, but he only raised $60bn in a lifetime of fraud and deception, and wound up in prison for the rest of his life as a result. Bitcoin founder Satoshi Nakamoto, on the other hand, is now worth a reputed $20bn and rising, and, not only is he not in prison, but no one knows who he is, where he is or whether he really exists at all. Locking him up would be a bit like locking up air. Plus, of course, there's the fact that, despite having created something that appears quite Ponzi-like in that Bitcoin is an investment that has no real investment value – the only true value is in selling to someone who believes that the non-existent value actually does exist – in reality, he hasn't done anything illegal. The reason for that is that Bitcoin investors, like UET investors, should know what they are in for.

So, I know that by writing this book I set myself up as an expert in all these areas, but to answer the question of whether you should raise funding via an ICO, currently I would say, only if you're quick. However, this is subject to change as this market is moving so rapidly.

If you're considering this, then please email me at stephen.sacks@fundingnav.com so that we can discuss what's happened in the meantime and whether it still looks workable. I'm pretty sure we'll be involved in some fund raising of this nature in 2018, so I look forward to sharing that experience with you, if relevant.

Prince's Trust Grants

The Prince's Trust grants have provided financial assistance to young entrepreneurs since 1976. They offer an exclusive Enterprise Programme that provides funding and mentors to young individuals to help them start their own business. To apply for funding and support, you are required to fill in an online application.

Applicants must be 18–30 years old to be eligible. Previously, funding amounts offered varied from grants of £1,500 to £3,000. Their website doesn't currently list available funding amounts, so these remain unknown.

Apprenticeship Grant

Apprenticeship grants support employers in offering work and training to young individuals through the apprenticeship programme. This takes one to four years to complete and brings together practical training with job-based learning.

The quantity of funding awarded depends on your business area, and the criteria met, with finance for 16–18–year–olds subsidised at 100%. Generally, under the current scheme, if you do not pay the apprenticeship levy (you'd only pay this if your payroll is over £3 million), then you're eligible to cover 95% of the cost of training and assessing apprentices via government funding.

The grant scheme also offers a £1,000 payment incentive for businesses taking on an apprentice aged 16–18 or 19–24 with an EHC plan.

Gigabit Broadband Voucher Scheme

After committing in recent years to turn Britain into an entirely fibre-based country, the government launched the Gigabit Broadband Voucher Scheme to support the transition. Small local businesses or local communities can use the scheme to partially, and in some cases entirely, offset the cost of installing a gigabit-capable internet line or connection.

Small businesses can get up to £2,500 in funding to cover the cost of having a Gigabit connection installed locally. You can apply as an individual business or as part of a group. Residents can also apply for up to £500 for the same purpose. Additional funding is available for premises in particularly hard-to-reach places.

Seed Enterprise Investment Scheme (SEIS)

Though not strictly grant funding, we feel SEIS is relevant to this section. SEIS is a tax relief designed to encourage investors to invest in very early- stage start-ups and businesses in the UK. In essence, investors can claim eligible investment against their tax bill, significantly reducing capital risk. Many professional investors and business angels now require SEIS eligibility before they consider a company.

SEIS relief allows investors to claim back up to 78% of their investment through tax relief in the first year, currently up to £100,000. Once companies achieve approved SEIS status, they can show this to investors to attract investment. Companies must then submit a compliance statement to HMRC to be able to issue a compliance certificate to investors, who can then use this certificate to claim their tax reliefs available under SEIS.

CRACK IT Challenges

The CRACK IT Challenges represent a fund to support challenge-based competitions, encouraging a partnership between educational organisations and SMEs to solve business and scientific challenges that deliver economic benefits. The challenges promote the rapid researching and commercialisation of new technologies.

The principal funder of the grants scheme is the NC3Rs, who develop the challenges alongside programme sponsors. You can find the latest challenges on their website, and can apply for a single-phase challenge, a double-stage challenge or even submit a challenge idea.

Depending on the challenge contract, the funding award can be up to £1,000,000 over three years.

EUREKA Eurostars

The EUREKA Eurostars Programme is a European Union funding project led locally by Innovate UK. Eurostars grants provide funding for the development and research of innovative services, products or processes. You can work with partners in other European projects to collaborate on funding proposals.

To be eligible for a Eurostars grant, you must be a small to medium-sized business in the UK operating in the tech industry, and have the intention of collaborating with other European companies. Large companies can still participate in Eurostars projects, but must self-fund.

The Eurostars programme can provide 60% match-funded grants with up to 360,000 euros of funding available.

Biomedical and Energy Catalysts

The Catalyst grant programme aims to fund initiatives invested in creating new knowledge or developing ground-breaking or innovative products, services or processes. Innovate UK runs two different Catalyst programmes for UK businesses involved in the biomedical and energy sectors.

To be eligible for a grant, you must be a UK business working in one of the two Catalyst areas. Depending on how developed your project is, you can work independently or collaborate with another company. There are four core stages of funding, including the Feasibility award, Primer award (prototype), Early-stage award (testing) and Late-stage award (more advanced testing).

The Catalyst programme can fund up to 60% of total costs with an overall grant award of between £150,000 and £10,000,000. The funding levels vary depending on the stage of your business and project. Awards typically run three times a year and are open to application at varying times of the year.

R&D Tax Credits (as mentioned earlier)

The Research and Development Tax Credits scheme allows you to claim back a significant amount of your development costs in cash each year.

If you are a start-up heavily focused on development, then this scheme is well worth checking out. The paperwork itself is not too complicated to fill in; there are also expert agencies who can help with the application for a price.

Currently, R&D Tax Credits mean you can generally claim back up to 32% in research and development costs each year, even including staff and contractor costs.

The Prince's Countryside Fund

Set up to help rural communities in the UK face contemporary challenges, the Prince's Countryside Fund provides grant funding to projects that have a long-term positive impact in assisting entrepreneurs working and living in the British countryside.

The grants are open to businesses or organisations who seek to increase the potential return and longevity of family-run farm businesses, to sustain and grow rural economies or to provide necessary aid to support areas hit by hardship. For more details on this, check out the grant eligibility and guidance document.

The Prince's Countryside Fund provides up to £50,000 per project, with more than £1 million of funding awarded each year.

Tradeshow Access Programme (TAP)

TAP helps UK businesses promote themselves abroad by providing grants that enable companies to visit trade shows overseas, assisting companies to attain foreign export, gain market knowledge and access the advice and support of international trade experts.

To be eligible for TAP, you must be a UK SME already exploring export opportunities; you must be a new exporter (export accounts for less than 25% of your business), and you must attend an event listed on the official TAP Calendar. Your company must also have been exporting for less than ten years, be under the state aid limit and not be receiving any other public funds towards the trade show. Finally, you cannot confirm attendance at the trade show before applying for the grant.

Apart from the core eligibility criteria, you will also have to show you are either selling services or products from the UK or that you are adding a significant amount of value to a product or service not coming from the UK.

The Tradeshow Access Programme offers grants between £500 and £2,500 in value. You must match 100% of the grant received from the Trade Challenge Partner towards the cost of attending or exhibiting at the trade show.

Knowledge Transfer Partnerships (KTP)

KTP grants are awarded to businesses that employ recent graduates working on innovation projects; graduates must be working in coordination with and under the supervision of a research partner. The grant is open to companies large and small, but the percentage of funding varies depending on the project and size of the business. To be eligible for a KTP award, you must be a UK business, charity, educational institution, or a private or public sector research organisation.

Knowledge Transfer Partnership grants cover up to 67% of project costs; larger businesses may only apply for up to 50%. A limit on the financing is not stipulated but is assumed.

Arts Council England Funding

The Arts Council runs a rolling grants programme to support cultural events such as art and theatre events, as well as other creative initiatives. It is reasonably substantial and is open to both organisations and individuals. There is no limitation on for-profit companies.

The Arts Council grant scheme is perfect for organisations that undertake creative projects as part of their primary activity, such as theatre companies and art galleries. Larger corporations can take advantage of the programme to partially fund cultural initiatives that have a meaningful impact or preserve long-standing British culture or art.

To apply, you will need to set up an account with the Arts Council website and create your profile. Once your account is verified, you'll have to complete an eligibility questionnaire to start your application. It's not a quick application process, with responses typically taking six to twelve weeks after submission, but it is one of the more straightforward schemes available for UK organisations.

The Arts Council England funding programme offers between £1,000 and £100,000 for projects. Grant requests of £15,000 or below take six weeks or less to reach a decision, whereas grants over £15,000 typically take upwards of twelve weeks.

New Enterprise Allowance

The New Enterprise Allowance is a grants fund dedicated to supporting unemployed persons in becoming self-employed and running their own business.

Aside from a financial grant, you will also receive a mentor to provide guidance and support through planning, setting up, and running your new business. If you have been out of work for a while, this scheme is perfect for helping you set up a new business. You can find out more about the programme by going to your local Jobcentre Plus and speaking to a work coach.

The scheme provides a grant in the form of a weekly allowance of up to £1,274 over 26 weeks. You are likely to be eligible if you or your partner are receiving any benefits (JSA, UC, or SA).

Enterprise Investment Scheme (EIS)

EIS is a tax relief scheme investment that focuses on supporting start-ups and early-stage businesses with fewer than 250 employees. Approved companies can enable their investors to get back a hefty amount of funding in tax benefits.

Investors can claim up to 30% back in tax on investments of up to £1 million per investor in one tax year. Investors can also defer Capital Gains Tax on such shares, carry back tax relief to a previous year and claim loss relief on any share disposed of at a loss. This array of tax benefits works to incentivise investors to back high-risk start-ups.

British Council Grants

The British Council issue grants on a rolling basis through the Newton Fund. The Newton Fund fosters innovation and research collaborations with partner countries by providing grant funding for research, workshops and travel. These partnerships aim to support economic development in the partner country by developing the scope for innovation and research to support sustainable growth. In this pursuit, the fund issues funding calls and programmes on a rolling basis. These programmes have different criteria and focus on various countries and endeavours.

You will find a list of the latest Newton Fund programmes on the funding and other opportunities page. For an idea of the type of programmes offered, past grant calls included:

» Gulf Science Innovation and Knowledge Economy
» Creative Economy – Project Evaluation and Guide
» Building robust data management, data repository and curation systems
» Promote your research or institution in Germany.

Funding amounts awarded to grant recipients vary depending on the individual grant.

The National Lottery Community Fund

The National Lottery Community Fund, formerly the Big Lottery Fund, provides a range of grants that focus primarily on delivering community or charity funding to instigate social change.

However, some programmes, including the following three examples, are available to for-profits, community-interest companies and social businesses.

The grants tend to range from £300 to £500,000.

Grants for improving lives

The Improving Lives programme, available only in Scotland, aims to fund socially focused organisations working to help people overcome difficulties in their lives and build up resilience. The scheme intends to fund projects that are 'people-led, connected and strengths-based'.

The grants for improving lives schemes offer from £10,001 to £500,000 in total funding. Grants over £150,000 require a two-stage application process. Larger grants are more likely to be considered if they have some match funding in place.

People and Places: large and medium grants

These grant programmes are available in Wales and provide funding for projects where people and organisations are working together in local communities to bring about a positive impact and social change.

The programme limits its applicant scope to organisations such as community-interest companies (CICs), social enterprises and not-for-profits. Funding is available from £10,001 to £500,000; medium grants funded up to £100,000, large grants up to £500,000.

Youth Investment Fund

The Youth Investment Fund provides funding to community organisations, social enterprises and youth groups to deliver high-quality youth services in areas across England. Successful applicants are funded for several years, promoting sustainable development.

Organisations applying for grants in disadvantaged areas are most likely to be successful. The Youth Investment Fund can provide between £150,000 to

£700,000.

Patent Box Relief

The Patent Box scheme is a tax relief scheme allowing profitable start-ups and small companies to almost halve their corporation tax bill in some cases.

This tax relief aims to support innovation in the UK. Therefore, your company will need to own, or have exclusive licences for the rights to, a patentable product to be eligible.

Through Patent Box, you can claim up to 50% off your corporation tax bill. In practice, for most applicants, this equates to just under 40%.

Forestry Commission

The Forestry Commission runs a range of funding and grant schemes designed to expand, protect and promote the sustainable management of woodlands in Britain. These grants focus on helping businesses and organisations involved in land management and woodland conservation. Open schemes listed below.

(Closed and legacy grant schemes include FWS and FWPS payment rates, the Woodland Grant Scheme, the Farm Woodland Scheme, the Farm Woodland Premium Scheme and the English Woodland Grant scheme.)

Forestry Innovation Fund (DEFRA)

The Forestry Innovation Fund is a public fund put together by DEFRA with more than £300,000 available to fund projects that promote the growth of the forestry industry in local regions.

Country Stewardship

As part of the RDPE programme, the Countryside Stewardship Scheme comprises nearly £900 million in grants and funding opportunities that cover a vast range of environmental projects, from conservation work and habitat restoration endeavours to land management and reedbed creation.

The fund exists to support farmers and woodland managers to protect the environment, acting in support of government management plans for improving existing woodland.

Woodland Creation Planning Grant (WCPG)

WCPG provides grant contributions to land managers for projects aimed to create productive multi-purpose woodland, including support to analyse the potential impacts of the proposals on water, biodiversity and historic environment.

The applicant business or individual will need at least ten hectares of land, where 70% or more of species in the proposed area are considered productive, to be eligible for the scheme. Only areas of land in England will qualify for the grant.

The Woodland Creation Planning Grant can offer £1,000 for an initial land assessment and data collection, with a further £150 per hectare (the initial

£1000 is incorporated into the overall payment).

Unltd Social Enterprise Funding

Initially based in the UK, Unltd has become a global and influential partner and investor for social entrepreneurs, social businesses and social enterprise across the world. They run a range of grant, support and award programmes to support entrepreneurs right through from setting up a new venture to scaling an existing business. Below is a list of currently active grant programmes beneficial for socially-minded companies.

Transform Ageing

The Transform Ageing programme aims to drastically improve the approach and service provided to look after the elderly in society, from the perspective of social care, health and wellbeing.

The programme provides support for businesses and organisations who work in several core areas of focus and innovation, developing or delivering solutions to the elderly that foster positive experiences. These include enhancing independence through transportation or mobility, support for carers, making relevant information more accessible, supporting people in making life changes or creating opportunities for connection.

The programme itself is separate from any funding, but you can apply under the programme criteria for one of the Unltd award schemes. You can find the eligibility criteria on the website. Aside from monetary awards, you can get expert advice and support in making your idea a reality or scaling your social organisation.

They offer to fund amounts up to £25,000; the early-stage awards do not list available funding amounts, but we assume they are quite modest. However, the venture level awards provide up to £25,000 in funding to established organisations.

Grow It Awards

The Grow It Awards are for social entrepreneurs intent on growing their venture and seeking tailored support, expertise and further funding. This award replaces Unltd's previous programme of Fast Growth and Build It Awards.

To be eligible, you will need to meet the Unltd criteria as an entrepreneur and as a venture. As well as a monetary award, successful applicants will get expert advice, access to investors, support from corporations and other entrepreneurs, coupled with 12 months of free coaching.

The Grow It Awards offer to fund up to £15,000.

Better Broadband Subsidy Scheme

With a focus on the digital economy to support future growth, the British Government are trying to increase the number of businesses who can access high-speed broadband and internet. The Better Broadband Subsidy Scheme is part of that initiative, offering subsidies to businesses for the installation of broadband if they cannot get access to affordable internet, providing a minimum speed of 2Mb.

This grant is most useful for companies in remote areas who do not have access to standard broadband or fibreoptic, eliminating the need to pay for expensive and comparatively slow satellite internet. If you apply, you can get up to £350 in funding towards broadband infrastructure.

Energy Entrepreneurs Fund

The Energy Entrepreneurs Fund is a grant funding programme to support the advancement and presentation of cutting-edge technologies, processes and products in the core sectors of power production, electricity, heat storage and energy efficiency.

The scheme overall seeks the advancement of energy technology by assisting SMEs monetarily as well as with other benefits, including providing incubation space and expert support. Phase six of the fund has recently been launched and is worth over £10 million.

To be successful, applicants will need to present hard evidence to support their case for funding. Evidence should include the likely impact of their project on 2050 low carbon targets, the scope and precise nature of the business opportunity, the value for money and the overall technical viability of the project, as well as a detailed roadmap for development.

Up to £1 million is available in funding.

Trusthouse Charitable Foundation

This foundation provides a range of grant funding programmes to support large UK organisations who can solve local issues in areas of significant urban deprivation or isolated and vicarious rural communities. Within these two core areas, the foundation is most interested in projects within disability support and healthcare, community support and art, heritage and education sectors.

Your organisation and project must be based in the UK, and you must be a CIC, social enterprise, a not-for-profit registered company or charity to be a grant recipient. Small grant applications tend to receive a response within six weeks.

Grants fall into three tiers: up to £6,000, £6,001 to £12,000 and £12,001 to £45,000. Typically, they require you to put up at least 50% of the total project costs to receive a grant.

Architectural Heritage Fund (AHF)

The AHF, established in 1986, is dedicated to promoting and supporting the conservation and re-use of historic buildings to the advantage of local communities across the UK. With this overall objective in mind, AHF is one of the UK's leading social investors offering a range of grants, loans, advice and much more.

For a project to be eligible for a grant, it must have the potential to create significant economic and social benefits for a deprived or in-need community. You must be able to demonstrate the social and heritage impact of your project as well as be registered as a charity or social enterprise with a limited liability structure.

You also need to prove that you have a clear and attainable roadmap to project completion. It's advisable to speak to an AHF grants officer before making an application online.

Grant funding is available in two brackets: up to £5,000 and over £5,000. The smaller grant takes six weeks to reach a decision, with larger applications considered quarterly by the board. The awarding body gives priority to requests that are already match-funded to 50% or above.

Fuel Cell Electric Vehicle Fleet Support Scheme

This scheme represents an initiative run by the UK government to accelerate the growth of the commercial market of Hydrogen fuel cell electric vehicles. The Fuel Cell Electric Vehicle Fleet Support Scheme provides grants to public sector and private sector organisations, including private companies, to buy FCEVs. The main difference is that there's no cap on the sum awarded to public sector organisations acquiring these vehicles.

As a private company, you can get a maximum of £200,000 per business to cover up to 75% of the cost of acquiring a fleet of FCEVs, including fleet management, car insurance, fuel, project reporting and more. The fund available is £2 million, and the scheme will close when funds are exhausted.

Fit For Nuclear

Developed by Nuclear AMRC, Fit For Nuclear is a programme that works with manufacturing firms to prepare for bidding to carry out work in the civilian nuclear supply chain in the UK. The overall plan assures that companies fulfil the necessary standards to supply the nuclear industry.

The scheme aims to support companies with no atomic experience that are involved in high-level precision mechanical engineering, supply instrumentation and control, production of electrical components or manufacture of other devices for nuclear plant operation, construction or decommission.

The programme is eligible for businesses that have ten or more employees or more than £1.6 million in annual turnover. The process is more complicated for micro-enterprises, but the scheme advises that those with exciting products or services should get in touch nonetheless. The overall programme will take 12 to 18 months to complete. The funding amount is not stipulated.

Industrial Partnership Awards (IPA)

The IPAs promote collaboration between industry and academically inclined research organisations in academic-led projects. There is a detailed eligibility page, which you should read before considering applying.

The funding potential is significant, but you or a partner must contribute at least 10% of the overall project cost for the grant to cover the rest.

Innovative Medicines Initiative (IMI)

The IMI’s primary objective is to increase the speed of development of innovative medicines, and patient access to these medicines, particularly in areas where social or medical needs are currently unmet.

The programme develops medicines, vaccines and treatments such as next-generation antibiotics. The grant aspect of the programme supports third-party organisations including SMEs, universities and patent organisations in participating in its projects. There are several types of grant offered: one-off financial contributions, provision of personnel, covering other direct costs and free subcontracting. They operate a series of different calls for funding applications at any one time.

Given the highly detailed nature of the programme, you will need to check out the more advanced IMI2 rules before making an application.

Funding is dependent on the project and the organisation.

Business Rates Relief

Many businesses pay business rates to their local council, and many are eligible for discounts in the form of business rates relief. That said, many discount schemes are often unknown. How you claim varies from council to council.

There are several core types of business rates relief, which can reduce or even exempt your business from paying business rates. These include small business rates relief, hardship relief, enterprise zone relief, charitable relief and rural rate relief.

Up to 100% reduction is possible in business rates payable.

Barrow Cadbury Trust Grants

This programme principally funds non-profit organisations for policy change and voice work. It will not support commercial organisations.

One of the oldest charitable trusts in the UK, the Barrow Cadbury Trust aims to bring about just social change through funding projects that will create significant and sustainable change in society for the better, creating more equality across migration, criminal justice and economic justice.

To apply, you will first need to consider whether your proposal fits within the criteria of the Economic Justice programme. Then, fill in an application form detailing your goals, measures and theory of how you can create change through the project. Once you have supplied these details, you can expect a response within ten days as to whether you have progressed to the next stage and should begin making a full application.

Amounts of funding available are not explicitly specified, but both small and significant grants are available, the amount depending on varying projects and outcomes.

Adur and Worthing Small Business Grant

Run by this local business partnership, their small business grant is designed to provide general funding for small firms and micro-businesses in the Adur and Worthing area, for specific projects or acquisitions that will make a difference to their business.

Your business must have no more than ten employees and must be based in the Adur and Worthing area to be applicable for the small business grant. Furthermore, you must be able to justify how the grant funding will develop or further establish your business. You can apply for matched grant funding of up to £2,500, meaning you must also be able to contribute an amount equal to the grant.

As an example, if you apply for £1,500 in grant funding to buy a new computer system, you must be able to contribute a further £1,500 towards purchasing the computer system, meaning the total purchase would be

£3,000.

Coverage: Adur and Worthing Borough, West Sussex, England.

Business West High Impact Scale-up Coaching Grants

Business West, in collaboration with the European Regional Development Fund, is providing scale-up coaching grants to businesses to hire business coaches to advise them in scaling their business. All SMEs in the West of England who are looking to grow in the next 12 months or create jobs are eligible for this scheme.

You can meet the Business West Enterprise team to chat more about the grant and funding possibilities at the Engine Shed in Bristol before making an application.

Funding from £1,000 to £2,500. The grant can cover a maximum of 40% of total project/hiring coach expenses.

Coverage: West of England.

Arun Valley Business Grant

In collaboration with the local enterprise and apprenticeship platform, Arun Valley Borough Council are providing grants for new businesses who need seed funding, and more established small businesses who can achieve a meaningful objective by gaining grant funding.

They will award up to £1,500 per company. The scheme is for companies located in the Arun Valley area. They also have free start-up courses and business start-up workshops available in Bognor Regis.

Coverage: Arun District, West Sussex, England.

New Anglia Small Grants Scheme

Set up and run by the New Anglia Local Enterprise Partnership, the small grants scheme supports businesses. The grant is available for companies wanting to expand or grow, build services or products, or increase their efficiency or productivity.

Eligible companies must be located in specific parts of Norfolk and Suffolk. Application forms are available on the New Anglia Growth hub website, with grants from £1,000 to £25,000 and the scheme will pay for up to 20% of the total cost of any project. The scheme has funded nearly £900,000 so far over 95 different projects put forward by businesses.

Coverage: Norfolk and Suffolk, England.

New Anglia Growing Business Fund

The Growing Business Fund is a larger version of the small grants scheme offered by New Anglia with slightly different criteria. It is designed to support more established businesses who are looking to grow, invest, recruit or expand. The Growing Business Fund is in partnership with New Anglia LEP, Finance East and Suffolk County Council.

The grant provides up to £500,000 in funding and covers a maximum of 20% of the overall cost of a project. For example, you may apply for £400,000 for a £2 million project, but you will need to come up with the remaining

£1.6 million.

Coverage: Norfolk and Suffolk, England.

BG Kick Start Grant Scheme

This scheme is a combined grant funding initiative from the UK Steel Enterprise fund and Blaenau Gwent County Borough Council regeneration division. The Kick Start Grant Scheme is designed to support small businesses and new ventures. The only criteria for applicants stipulate that your project must be a start-up in the Blaenau Gwent area. You can apply by contacting the council's economic development team.

The grant is 50% match-funded, and the maximum amount of funding provided is £2,000. In other words, you may apply for £2,000 provided you have £2,000 of your own money to invest in the business.

Coverage: Blaenau Gwent County, Wales.

BG Effect Business Fund

Very similar to the BG Kick Start scheme above with the same application criteria, the BG Effect Business Fund exists to support start-up businesses in the Blaenau Gwent area.

They provide up to 80% of the total funding for any project up to the amount of £2,000, and you can also get free expert advice and support from your local enterprise network through the scheme.

Coverage: Blaenau Gwent County, Wales.

Broadland District Enterprise Grant

This is a funding initiative from Broadland District aimed exclusively at existing small businesses who need funding to expand. To be eligible, you will need to have fewer than ten staff and reside in the Broadland District.

You must also submit your business accounts as well as quotes for the equipment or work you plan to cover with the grant as a way to expand your business.

Enterprise Grants can provide up to £750 in funding. Coverage: Broadland District, Norfolk,

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England.

Caerphilly Business Development Grant

Run by the Caerphilly County Borough Council, the business development grant is for small businesses in the manufacturing industry or businesses who supply to the manufacturing industry, or companies where 60% or more of their operations are B2B. The grant covers the purchase of new equipment or services, which must go towards improving the business, i.e. capital equipment, websites and eCommerce, business planning, marketing and feasibility studies.

To apply, you will need to provide profit and loss statements, cash flow projections, a business plan and a management account for the last two years if you have traded for more than six months. You will also need to provide a minimum of two quotes for anything you plan to purchase with the grant. You can apply by reaching out to the business enterprise support team in the council.

This scheme is a discretionary grant of up to £2,000 and can cover up to 45% of the cost of new equipment or services.

Coverage: Caerphilly County, Wales.

Caerphilly Commercial Improvement Grants

This grant is for tenants or owners of business properties in Caerphilly County, whose building has become run down over time and requires renovation. These renovations include exterior landscaping, improvements to physical infrastructure, extension or the development of commercial or retail buildings.

To successfully apply for the commercial improvement grant, you need to show how your project can create additional jobs or keep existing jobs, contribute to the environment, bring vacant properties into use, or enhance the local environment where the business premises is situated. This grant typically goes to (but is not limited to) retail shop owners. It could also apply to other areas, including office spaces, under the right conditions.

You need to fill in an expression of interest form to begin the grant application process. You'll then need to provide an application based on the council specification.

This grant provides up to 50% of the costs of any work to a maximum of £15,000 for a single property.
Coverage: Caerphilly County, Wales.

Chichester District Council Grants Programme

The Chichester District Council grants programme exists to support small businesses and economic growth within the Chichester District. They offer two types of grant funding: the first, 'fast track', is a quicker, less intensive grant application process for grants of under £1,000. Above this, there's a general grants programme for sums more than £1,000. There's no maximum figure provided.

To be eligible for a grant, you will need to meet the three priorities of the council's grant funding agenda and the six principles applicable to any project. To apply, contact a funding advisor at Chichester District Council.

Coverage: Chichester District, West Sussex.

Chorley Shop Front Improvement Grant

Run by the Chorley Council, the Shop Front Improvement Grant is a grant scheme for local retailers who wish to improve the visual exterior of vacant or occupied retail properties.

To be eligible, you must be a leaseholder or owner of a retail property in Chorley town centre.

You can claim up to 75% of the project costs up to a maximum of £10,000. Coverage: Chorley, Lancashire, England.

Business Investment for Growth Grant (BIG)

The BIG grant is for businesses in the Chorley area who wish to expand by making capital expenditures, creating jobs in the process. Expenses the grant can cover include renovation or building of business premises, security improvements and engineering works.

You can apply by submitting an application form on the council website.

Get up to 50% of the project costs up to a maximum of £10,000 per business, with grants of £2,000 available for each job created.

Coverage: Chorley, Lancashire, England.

Relocation Grant

Businesses who choose to relocate permanently to Chorley, and who bring at least 20 long-term jobs to the area within 18 months of relocating, may apply for what is a reasonably sizeable grant, serving as an attractive incentive to relocate.

The criteria for application are not restrictive, with the only exclusion being retail businesses.

You can receive up to £25,000, with £1,250 provided per job brought to the area.

Coverage: Chorley, Lancashire, England.

Investment Fund

Coventry City Council runs the Investment Fund in collaboration with Warwickshire County Council and Coventry University Enterprises. The grant exists to help small and well-established businesses in need of financial support to start or grow.

The scheme is specifically for businesses with less than 250 employees, who are looking to invest in capital assets such as computer hardware, software, machinery and new premises, among others. You may not have received a grant previously from the council, and you must be able to show the need for the award for your business to make the overall investment.

To apply, you will need to contact one of the Business Development advisors at the council to start the process and guide you through.

The grant will cover 30% of the cost of a project, with a maximum project contribution of between £1,000 and £50,000.

Coverage: Warwickshire, England.

Innovation Programme

The Innovation Programme is designed to support small and medium-sized businesses who are developing or looking to create innovative services or products.

Regarding criteria, they are specifically looking for companies involved in developing emerging technologies in the areas of energy, data, IT connectivity, IoT, assistive technologies and advanced materials. These areas are not definitive, so your business will likely be eligible if you are developing new or early development technologies.

To be suitable, you must also have fewer than 250 employees.

You can apply by speaking to the Innovation team at Coventry City Council. Grants can cover up to 30% of the project cost and can be anywhere between

£1,000 and £5,000 in value.

Coverage: Warwickshire, England.

Energy Efficiency Grants

As part of the council's Green Energy programme, the Energy Efficiency Grants scheme provides sizeable grants to businesses looking to increase their energy efficiency, by acquiring and introducing equipment that will lead to an overall reduction in energy consumption and an increase in carbon savings.

Grants are between £1,000 and £50,000 and may cover a maximum of 40% of the total costs of implementing energy efficiency measures.

Coverage: Warwickshire, England.

Low Carbon Innovation Grants

This scheme provides financial support for businesses developing or investing in low carbon technology. The grant can cover costs related to technology development for nuclear energy, offshore wind, waste-processing recycling and energy-efficient doors, fittings and fixtures, as examples.

Funding awarded can be between £1,000 and £50,000 and cover 30% of development capital costs.

Coverage: Warwickshire, England.

Low Carbon Revenue Grants

This scheme provides grant funding for any business seeking to commercialise products in the low carbon market. This includes products that are new to a market or new to the company applying for the grant.

The grant provides a maximum of £6,000 in funding and can cover up to 40% of revenue-related costs, i.e. software, consultancy, market research or prototype development.

Coverage: Warwickshire, England.

East Sussex Invest 4 (ESI4)

An RGF-funded grants scheme, East Sussex Invest 4 is run by East Sussex County Council and Locate East Sussex. The grant intends to stimulate economic growth and job creation by supporting small businesses to grow. There appear to be no criteria apart from being a small business in the area.

Grant funding is available between £15,000 and £25,000. The grant requires match funding of 60% of the total amount. There is also an option for loan finance of £10,000 to £200,000, which involves match funding up to 50% and may incur an administration fee of £500.

Coverage: East Sussex, England.

Civic Improvement Fund (ECIF)

The ECIF has been put in place to help grow the Elmbridge economy by providing funds to improve empty shop fronts and renovate retail businesses.

To apply for the grant, you must be able to show how it will benefit the local economy or attract people to local amenities and services. Work or purchases the grant can cover include street furniture, improving the appearance of empty shops, and street improvements.

Grant funding of £500 to £15,000 is available. You can get finance for up to 90% of the overall project cost.

Coverage: Elmbridge.

Digital Skills for Growth (DSG)

The DSG is run by the Essex Employment and Skills Board. It offers businesses in the Essex area grants for training young people aged 19–24 in digital technologies.

Up to £4,000 is available per

grant. Coverage: Essex.

ReAct For Businesses

ReAct is a grant programme funded by the Welsh Assembly Government with two primary funding initiatives for companies in the Flintshire area. The first grant scheme is the Employer Recruitment Support Fund and aims to support employers and small businesses who recruit individuals made redundant in the past six months. The second scheme is the Employer Training Support Grant and provides a fund that employers can put towards training recruits in job-related skills. You will need to contact the ReAct team for more details and apply via phone.

For the Employer Recruitment Support Fund, the grant goes up to £2080, paid in four instalments. For the Employer Training Support Grant, up to

£1,000 is available per business.

Coverage: Flintshire County, Wales.

Community Toilet Grant Scheme

Recently launched by the Gwynedd County Council, the toilet grant scheme offers a one-off small grant to businesses who provide their toilets for public use in the Gwynedd area as a way to improve the range of facilities available to the public in the town centre.

There's a one-off payment of up to £500 available for taking part in the scheme.

Coverage: Gwynedd County, Wales.

ISO Grant Scheme

The ISO Grant scheme aims to help local businesses achieve ISO accreditations. The grant is a monetary contribution towards the cost of consultancy fees needed for the company to meet the correct standard for certification.

The funding amount is not stipulated.

Coverage: Gwynedd County, Wales.

Business Network Support Fund

Initiated in 2014 by Hambleton District Council, the Business Network Support Fund is part of an economic strategy to support business networks in the Hambleton area to combine and grow.

Successful applicants can use the grant funding to increase network membership, marketing, or communicating to the new or existing target audience, as well as to develop links with other networks. To apply, you must be a developing or established business network in the Hambleton area, and you can use the online application form.

The Support Fund can provide up to £4,000. However, for grants over £1,000, the council expects at least a 20% contribution to the application project from the recipient.

Coverage: Hambleton District, Yorkshire, England.

Hartlepool Business Grants

Hartlepool Council offers a range of business grants to support local businesses. They do not provide information about individual awards on their website but instead ask you to contact their enterprise team for more details.

Grants will cover areas such as accessing international markets, development of information technology, employment creation and more.

The funding amount is not specified.

Coverage: Hartlepool Borough, Durham, England.

Built Environment Climate Change Innovations (BECCI)

Many councils, local authorities and universities offer the BECCI scheme. The scheme receives funding from the England European Regional Development Fund. It is available across the UK, designed to promote economic growth and create opportunities for small and medium-sized businesses to develop climate change solutions and technologies.

If you are developing climate change technologies and solutions and require further development, testing or want to showcase a product that you already have, your business could benefit from a BECCI grant. One body has over £1 million available for the project and amounts awarded vary from project to project. It’s worth consulting with a delivery body in your area to get an idea of the amount you could receive.

Coverage: Coventry and Wolverhampton University, Hartlepool Borough, Durham, England.

Business Energy Efficiency Programme (BEEP)

Multiple bodies administer BEEP grants, which are for businesses looking to use energy more efficiently and get better environmental credentials. To be eligible, you must employ fewer than 250 people and have a turnover of less than £40 million.

Funding per project varies between £2,000 and £20,000.

Coverage: Worcestershire County, Hartlepool Borough, Durham, England.

Greater Lincolnshire Growth Fund

The Growth Fund is a large grant fund of nearly £3 million, open for businesses operating in a few core areas, including the low carbon, digital, healthcare, visitor economy and agri-food sectors.

The proposed projects and businesses must be able to show how undertaking the project will have a positive impact on the local economy. To be eligible for a grant of £150,000, you must be undertaking a project that will create at least 27 jobs, and to secure a grant of £500,000, the project will need to create at least 90 posts.

The grant can go towards costs such as the building of new infrastructure, machinery, equipment, recruitment, staff and modern technology.

The amount awarded ranges between £150,000 and £500,000. For small and micro-businesses with up to 50 employees, the grant will cover 30% of the total project cost; for larger companies with 51 employees or more, the grant will cover 20% of the total cost.

Coverage: Lincolnshire County, England.

Business Growth and Digital Growth Grants (GLLEP)

The Business Growth and Digital Growth Grants support businesses purchasing equipment, software, e-commerce solutions and digital management systems.

Your business must be able to demonstrate that a grant investment will help to significantly increase your turnover or create new jobs in the Lincolnshire area. You will also need to speak with a Business Lincolnshire adviser to authorise your plan and activities before any grant allocation.

Grant sizes range from £1,000 to £10,000 and cover between 30–50% of the total project cost.

Coverage: Lincolnshire County, England.

Mansfield Market Grant

The Mansfield Market Grant provides up to 12 months of market stall rent for free. The programme aims to support new market traders and provide representation at the market of under-represented products. A non-monetary grant is available for up to one year’s free rent at the market.

Coverage: Mansfield District, Nottinghamshire, England.

Vibrant and Viable Places Business Retail Funding

Funded by the Welsh Government, the Vibrant and Viable grant scheme supports retail businesses in the centre of Merthyr Tydfil. The funding can cover the purchase of equipment, ICT and other hardware. To discuss making an application, contact the Economic Development Team.

Finance is available from £500 to £5,000, covering up to 70% of the project costs.

Coverage: Merthyr Tydfil County, Wales.

Vacant Commercial Floor Space Grant

From Newport City Council, this grant is for businesses that rent new commercial premises in the city centre or take on additional floor space for their business. The grant will cover the first year's rent on any property.

To be eligible, you must be based or be planning to base your business in Newport town centre. You must have paid all business rates to date, have a business plan, a cash flow forecast and a one-year profit and loss.

The award size is 50% match funding up to a maximum of £6,000, meaning if you apply for £6,000, you will need to have £6,000 to match to successfully secure a grant.

Coverage: Newport City, Wales.

Business Support Programme

A dual-stream grants programme catering for businesses with small available capital and substantial capital needs, these schemes are designed to support enterprise in the Coventry and Warwickshire area. To find out more information related to qualifying expenditure and further criteria, you will need to contact the council.

Small business grants range from £1,000 to £10,000. Large businesses in priority areas can access up to £50,000 in funding. Rates on grants vary depending on business size and location, from 10% to 30%.

Coverage: Coventry and Warwickshire, England.

Grants for Growing and Developing Your Business

This funding and finance scheme is for private sector businesses based in Pendle, who are looking to build and expand their operations in the Borough. The grant aims to support growth initiatives and overall job creation to benefit the economy.

Your business must be over six months old to be eligible and must pay small business rates in Pendle. To start the grant application process, you will need to arrange an initial site visit from a council adviser before completing the application form.

Grants exist from £2,000 to £10,000 and can cover up to 25% of total project costs.

Coverage: Pendle Borough, Lancashire.

Growth Lancashire

The Ribble Valley Borough Council are providing grants for entrepreneurs with new businesses or for those who have recently started a business. With their partner, Growth Lancashire (formerly Regenerate Pennine Lancashire), they are also offering access to free coaching, workshops and more. To apply, you will need to reach out to the Hyndburn Enterprise Trust.

Coverage: Ribble Valley Borough, Lancashire.

Scarborough Business Expansion Grants

The business expansion grants intend to support existing businesses in Scarborough Borough to expand and consolidate their market position, or expand into new markets.

The grant aims to help active revenue-generating projects as opposed to capital expenses. Up to £5,000 in support is available for one business in each year.

Coverage: Scarborough Borough, Yorkshire.

Lincolnshire Grants4Growth

This capital funding grant designed to support business growth is eligible to businesses in the South Holland area. Successful applicants can use this amount to fund the purchase of capital assets needed to increase sales and production, create innovations or drive efficiencies, ultimately contributing to local economic growth and job creation.

The application process is incredibly quick: the council aims to get a decision to you within two weeks.

Funding ranges from £1,000 to £25,000, covering up to 28% of the cost of any capital purchase.

Coverage: South Holland, Lincolnshire, England.

Power to Change Funding

In collaboration with Collaborate CIC, the Power to Change funding programme is there to provide financial and informational support to community businesses based in Suffolk. The grant is for community-oriented companies that have a positive impact on the broader community. The total grant fund available is £30,000 and the scheme will likely close when it's exhausted.

To be eligible, you must be starting or running a community business. Suffolk County Council considers a community business to be rooted locally, to address community needs, be accountable to the local community, have a trading model that benefits the area and have an overall positive impact on the community as a whole.

The funding amount varies from £250 to £5,000, dependent on the stage and type of project.

Coverage: Suffolk, England.

Independent Retailer Grant

Test Valley Council is intent on encouraging independent retail companies to take up unused and vacant spaces in the towns of Andover and Romsey.

Incentives take the form of grants to cover rent for existing and new businesses moving into ground-level vacant properties in the town centres.

£1,000 in funding is available in two stages, with £500 paid in the first three months and a further £500 paid nine months later.

Coverage: Andover and Romsey, Hampshire, England.

FIFE Investment Fund

The director of this fund is Business Gateway Fife, and the grant specifically focuses on small businesses. Your company mustn't have more than 49 employees and must be Fife-based. You will get priority if you are working in the creative or environmental industries or a B2B market. You can find application details on the Fife Council website.

You can receive a grant of up to £10,000, which can fund up to 70% of a project. Business Gateway Fife administers funds on behalf of Fife Council. Applications must be part of a business review and accompany a fully functional business plan.

Coverage: Barrow-in-Furness Borough, Cumbria, England.

Business Development Grant Caerphilly

This grant aims to support businesses looking to grow in Caerphilly. Eligible businesses should have 250 employees or fewer. The director of the grant is Caerphilly County Borough Council. The company must be a full-time operation situated in Caerphilly, and at least one of the owners or the directors must be involved in the company full-time.

The maximum amount of funding available is £2,000.

Coverage: Barrow-in-Furness Borough, Cumbria,

England.

Start-up Grant

The Start-up Grant award is an initiative from Broadland District Council to support unemployed people starting a business, and comes in the form of a small monetary sum.

The main criteria stipulate that you can only apply after a period of unemployment, your new business must be your full-time profession, and you will need to provide a reliable business plan and cash flow projection. You can register a profile and apply online. If successful, you will receive the grant once your business begins trading.

The Broadland Start-up Grant offers up to £750 in funding. Coverage: Broadland District, Norfolk,

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England.

Business Start-up Grant

This grant from UK Steel Enterprise in conjunction with Caerphilly County Council aims to provide a micro-business grant to help residents in Caerphilly set up a business for the first time. The council requires that successful applicants use the funding for purchasing building works, marketing, development of a website or IT equipment.

To apply, you will need to supply a business plan complete with cash flow and profit and loss projections for at least one year. You will also need to provide two quotes for any proposed purchase under the grant, and at least one of the company directors must be employed by the company full-time.

The grant funds project costs up to £500 and is 50% match-funded; if you apply for £500, you will need to put in a further £500 yourself.

Coverage: Caerphilly County, Wales.

Business Start-Up Grant Scheme

A start-up grant from Cheshire West and Cheshire Council to support residents in launching new businesses or enterprises. This includes new ventures, not older than three months.

To apply, you will need to supply details of a business advisor, an updated business plan and cash flow forecast. You must also prove that the grant is necessary to start up your business.

Grant funding is available up to a maximum of £250. Coverage: Cheshire West and Chester,

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England.

Starting in Business Grant

A micro-grant to support entrepreneurs in the Chorley area turning their business ideas into new businesses. To apply, you will need to reach out to a business advisor at Chorley Council.

You may receive up to £750, which can be in the form of a traditional grant or a loan.

Coverage: Chorley, Lancashire, England.

Crawley Business Support Grants

Crawley Borough Council runs this grant scheme, providing start-ups and small businesses with initial funding to help get their new businesses off the ground or expand in the early years. You can apply using the council application form. Grant applications are reviewed every four weeks until funds run out.

Amounts are available up to £2,000 provided they are match-funded, and may cover up to 50% of the project cost.

Coverage: Crawley Borough, West Sussex, England.

Elmbridge Start-up Fund

The Start-up Fund provides a single grant to help businesses with starting. This could include buying equipment, marketing, promotion and any initial start-up expenses. Eligible companies must be set up in the Elmbridge area and be no more than six months old.

Up to a £1,000 can be secured in funding.

Coverage: Elmbridge Borough, Surrey,

England.

Growing Graduate Enterprise

Growth Lincolnshire is a scheme from the University of Lincolnshire that offers a monetary grant and support to final year university students in Lincolnshire who plan to stay in the area and start a new business.

To be eligible, your business cannot be trading, you must live in the Lincolnshire area, have no visa restrictions and have a viable business idea. *Funding of up to £2,500 is available, split into two principal payments of*

£1,500 and £1,000.

Coverage: Lincolnshire County, England.

Innovation Programme for Greater Lincolnshire

The Innovation Grant Programme offers access to proof and concept grants and innovation vouchers. The initial award provides funds for SMEs to build new products, processes or create new markets.

The second grant provides funding for SMEs to hire consultants to carry out research and consultancy for technological and innovation projects.

Proof of concept grants are between £1,000 and £10,000. Innovation vouchers range from £1,000 to £5,000.

Coverage: Lincolnshire County, England.

Tower Hamlets Start-up Ready

The Tower Hamlets Council offer a grant for new start-up businesses. To be able to apply, you must attend and complete the council's four-day start-up programme course. To apply and attend the course, you will need to submit an application form to Start-up Ready.

Up to £5,000 in funding is open to applicants.

Coverage: London Borough of Tower Hamlets, Greater London, England.

Malvern Hills Business Start-up Grant

Malvern Hills Council runs a grant scheme to support businesses based in the district, the aim being to fill vacant business premises, regenerate town centres and create new jobs. Thus you must be able to demonstrate how your business or project will achieve one of these goals.

To be eligible, you must be employed full-time by your business, provide a business plan and have the relevant business licenses in place to operate.

You can apply for a maximum of £750; this goes down to £500 if you are not moving into a ratable business property.

Coverage: Malvern Hills District Council, Worcestershire County, England.

Mansfield Business Start-up Grant

Offered by Mansfield District Council, the Business Start-up Grant is available for applications from all residents in the Mansfield area. You can use the grant to fund the cost of starting up. Start-up costs can include purchasing equipment, advertising, building a website and more.

Up to £1,000 in funding is available.

Coverage: Mansfield District, Nottinghamshire, England.

Start-up Business Grants

Available to start-up businesses up to a year old, the Start-up Business Grant from UK Steel Enterprise and Newport City Council is designed to provide funding support to pre-start-ups and relatively new businesses that will grow the local economy and create jobs. You can use the grant to pay for costs including software, training, commercial rent and more.

Awarding of the grant is discretionary and carried out by the council. Social enterprises, companies, sole traders, and all types of organisation are eligible to apply.

Available up to £1,500, the grant funding may cover up to 40% of the total cost of any project.

Coverage: Newport City, Wales.

Reigate & Banstead Business Support Grant

The Business Support Grant initiative aims to support local businesses wishing to grow or start new ventures. Companies with fewer than four employees in the Reigate and Banstead Borough area are eligible to apply; you will also need to provide a business plan for review. If successful, you will receive an invitation to interview at the town hall.

Funding up to £1,000 is available.

Coverage: Reigate & Banstead Borough, Surrey.

Scarborough Business Start-up Grants

A small grant provided by the Scarborough Borough Council to support start-up businesses less than 18 months old. You can make applications for this grant to purchase equipment and machinery, to carry out improvement of premises and for different types of marketing.

Up to £1,000 is available, for one business in one year. Coverage: Scarborough Borough, Yorkshire.

Business Incentive Grant

The Business Incentive Grant exists to support start-up businesses in the Test Valley in building a competitive local economy. To be eligible for the grant, you must apply before you start your business and you must be working on the business full-time. You must also be prepared to receive two site visits from the council for them to see where you operate the company from, and you must be able to provide the necessary paperwork. Unfortunately, the whole process is rather long and can take upwards of six months.

Up to £750 in funding is available.

Coverage: Test Valley, Hampshire,

England.

Merseyside Regenerus Start-up Grant

The Regenerus Start-up Grant is available to businesses situated in the Merseyside region. The director of the fund is Regenerus, previously known as South Sefton Development Trust. To be eligible, you must reside in Merseyside. Application details are provided on their website.

If eligible, the programme includes a combination of workshops and one-to- one assistance from a qualified business adviser to produce your business plan and cash flow, along with a start-up grant of £250.

Coverage: Merseyside, England.

Business Development Grant Scheme

Scarborough Borough Council directs the Business Development Start-up Grant Scheme, established to encourage the formation of new businesses in Scarborough Borough.

Up to £1000 is available in funding. Start-up grants are intended for new start-ups and companies less than 18 months old. The grant may go towards the cost of necessary equipment and machinery. Any grant awarded will be 50% of expenditure within limits of the grant amount.

Coverage: Scarborough, North Yorkshire, England.

Grants for New Businesses in Orkney

This scheme is available to people who are looking to start a new business in the Orkney region. The company should comprise no more than nine employees. Directed by the Orkney Business Gateway, the grant may cover any start-up costs such as equipment, training and marketing. For more information, you can contact the Orkney Business Gateway via their website.

The maximum amount of funding provided is £1,000. Applicants for start-up funding must be developing a new, full-time start-up business. The application submission must come before the business launch and the applicant must submit a business plan with two years of cash flow projections.

Coverage: Orkney Island, Scotland.

Start-up Grant West Dunbartonshire

This grant, directed by West Dunbartonshire Council, is a start-up grant reserved for people looking to launch their own business. The maximum number of employees you may have to be eligible is 250. A business plan, as well as proof of trading, must be provided to qualify.

You can inquire about the grant from the details provided on the West Dunbartonshire website.

Up to £500 is available to help people over 18 with the costs of starting a business.

Coverage: Barrow-in-Furness Borough, Cumbria, England.

NBV Grant for New Businesses

The NBV business grant is for businesses based in Nottinghamshire, Derbyshire, Leicestershire and Greater Lincolnshire. Your business needs to be B2B and must be ready to start trading. It also has to be already registered with HMRC or Companies House. Start an application by expressing your interest on their website.

The grant awarded can be anywhere from £1,000 to £2,500, depending on the project spend.

Coverage: Nottinghamshire, Derbyshire, Leicestershire and Greater Lincolnshire, England.

Cumbria Business Start-up Support Programme

The fund director of this programme is the Cumbria Chamber of Commerce. You should not have more than 250 employees involved in your business. There is a telephone-based application to assess your eligibility, after which you can apply through the Cumbria Chamber website.

The Business Start-up Support Programme (BSUS) offers free business advice, support and training to anyone looking to start a new business or set up a social enterprise, or to those in the first three years of trading. There's also business support offered to women based in rural Cumbria. The business training course focuses on areas such as social media marketing and search engine optimisation.

Coverage: Cumbria, England.

Enterprise Support Programme

The Enterprise Support Programme provides funding and assistance to existing and new private companies and social enterprises in the Rhondda Cynon Taf area. This grant can contribute towards the purchase of capital equipment, including information technology, improvement to business premises, website coding and more.

Funding levels vary with details below, but to qualify for up to £5,000, you must be creating one new full-time job, and for up to £10,000, be creating two full-time jobs. You will need to complete an expression of interest form to apply. Start-ups trading for under 12 months can get between £500 and £10,000 in funding, covering a maximum of 40% of the project cost.

Existing businesses older than one year can apply for between £1,000 and

£10,000, with a maximum grant contribution of 40% to the total cost. Home-based businesses can apply for a maximum grant of £1,500.

Coverage: Rhondda Cynon Taf, Wales.

Access to Work Funding

The Access to Work Funding scheme provides financial support to disabled persons who have a paid job, are about to return to a paid position or who are starting a business. If your employer has made reasonable employer adjustments and you have further needs, then the fund can support you in financing special equipment for work or transport in getting to and from a work location.

Anyone 16 or over living in the UK (Northern Ireland has a different scheme) with a health condition or disability that makes it difficult to carry out or travel to or from a job is eligible. No funding limit is specified.

Coverage: National.

Warwickshire County Council Growth Fund

Warwickshire County Council has a £2 million fund to support businesses in the Warwickshire area, with a focus on micro and small enterprises for capital-based projects and expenditures. Applicants must be able to show tremendous growth potential from the use of the grant.

Priority goes to businesses in sectors including tourism, low-carbon tech, creative industries and digital media, among other areas.

The grant can cover £5,000 to £35,000 and up to 40% of total project costs (loan finance is also available from £1,000 to £50,000).

Coverage: North Warwickshire, England.

Stockton Town Centre Retail Grant

To support the revival of the Stockton town centre, the local council are offering retail businesses a sizable grant towards commercial building rental. For new businesses, the grant will cover renting a vacant property; for existing businesses, this could cover extra floor space or premises rented necessary to expand and support growth. £5,000 is available, and in some cases can be increased to £10,000.

Coverage: Stockton-on-Tees, England.

Productivity And Capability Enhancement (PACE)

Coverage: Leicester and Leicestershire.

Business Start-up Grant

Coverage: Tewkesbury Borough, Gloucestershire.

Growing Business Grant

Coverage: Tewkesbury Borough, Gloucestershire.

Working From Home Grant

Coverage: Tewkesbury Borough, Gloucestershire.

Gainsborough Feasibility Fund

Coverage: West Lindsey District, Lincolnshire, England.

Business Growth Grant

Coverage: Worcester City, Worcester, England.

Start-up Funding

Coverage: Wychavon District, Worcestershire.

Coast to Capital Grant Funding (Leader)

Coverage: West Sussex, England.

South East Business Boost (SEBB)

Coverage: East Sussex, England.

Grants4Growth

Coverage: South Holland, Lincolnshire, England.

Manufacturing Growth Programme

Coverage: Yorkshire, West Midlands, Humber, parts of the East Midlands and East of England.

Business Energy Efficiency (BEE Anglia)

Coverage: Norfolk and Suffolk, England.

StartEast

Coverage: Norfolk and Suffolk, England.

Digital Growth Programme Grant Scheme

Coverage: Nottinghamshire, Leicestershire, Derbyshire, Nottinghamshire, England.

Nottinghamshire Economic Development Capital Fund

Coverage: Nottinghamshire, England.

N2 Business Growth Fund

Coverage: Nottinghamshire, England.

Boost Business Lancashire

Coverage: Lancashire, England.

Northern Powerhouse Investment Fund

Coverage: Yorkshire, Humber and Tees Valley, England.

Grants for Growth (Make It Stoke & Staffs)

Coverage: Stoke-on-Trent, Staffordshire, England.

Bucks Business First Grants and Vouchers

Coverage: Buckinghamshire, England.

Cumbria Infrastructure Fund

Coverage: Cumbria, England.

Tourism Investment Support Scheme (TISS)

Coverage: Wales.

PAPI

Coverage: North Yorkshire, East Yorkshire, England.

Computers for rural people

Coverage: Staffordshire, England.

Creative England Games Industry

Coverage: Leeds, England.

Employer Training Incentive Pilot

Coverage: Suffolk and Norfolk, England.

Boost4Health

Coverage: North West, England.

ICARES EU funding

Coverage: Kent, England.

Triple A Funding

Coverage: Kent, England.

Low Carbon Workspaces

Coverage: Black Country, Buckinghamshire, Hertfordshire, England.

North East Business Support Fund

Coverage: North East, England.

Energy Saving Trust Grant (Landlords)

Coverage: Scotland.

OBS Elevate Grant

Coverage: Oxfordshire, England.

Let's Grow Programme

Coverage: East and North Yorkshire, England.

Capital Grants for Essex Businesses

Coverage: Essex.

Lancashire Manufacturing Growth Fund

Coverage: Lancashire, England.

Healthcare & Medical Technology Business Vouchers

Coverage: Staffordshire, England.

Textiles Growth Programme

Coverage: Greater Manchester, Derbyshire, Lancashire, Leicestershire, Nottinghamshire, West Yorkshire, England.

Sustainable Travel Grant Scheme

Coverage: Aberdeen, Scotland and Leicester, England.

Key Fund for Social & Community Businesses

Coverage: East Midlands, England.

Medilink Solstice

Coverage: Leicester, England.

AD:VENTURE

Coverage: Leeds, England.

Agri-tech Cornwall

Coverage: Isles of Scilly, Cornwall, England.

Business Energy Efficiency Programme

Coverage: West Midlands, England.

Business Growth Programme

Coverage: Solihull, Staffordshire, The Marches, Greater Birmingham, Stoke- On-Trent, England.

Collaborate for Growth

Coverage: Leicestershire, England.

Conservation Grant Scheme

Coverage: Howardian Hills, Yorkshire and the Humber, England.

D2 Energy Efficiency

Coverage: Amber Valley, Bolsover, Derbyshire Dales, Erewash, High Peak, North East Derbyshire or South Derbyshire, Derby City, Chesterfield, England.

Energy for Business

Coverage: Nottinghamshire, Derbyshire, England.

LCR Future Energy

Coverage: Liverpool, England.

Proof of Concept Funding

Coverage: Worcestershire, England.

The South East Midlands Start-up

Coverage: Bedfordshire, England.

Transport Sector Funding

Coverage: East Midlands, England.

Regional Selective Assistance

Coverage: Scotland.

Explore Enterprise Programme

Coverage: Northern Ireland.

Skills Advancement Grant

Coverage: Northern Ireland.

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155. Brexit Readiness Vouchers

Coverage: Northern Ireland.

Publications Grant Scheme

Coverage: Northern Ireland.

Proof of Concept Techstart NI

Coverage: Northern Ireland.

Financial Support to Businesses

Coverage: Fife, Scotland.

Carmarthenshire Rural Enterprise Fund

Coverage: Carmarthenshire, Wales.

Accelerated Growth Programme

Coverage: Wales.

Site Investigation Fund

Coverage: Black Country, England.

Growth Deal Funding

Coverage: Black Country, England.

Growth Grants

Coverage: Buckinghamshire, England.

Growth Deal

Coverage: Isles of Scilly.

Big House CDI Grant Icon

Coverage: Nottinghamshire, Derbyshire, England.

Big House Elevator Grant

Coverage: Nottinghamshire, Derbyshire, England.

The Enterprise M3 Wood Processing Grant

Coverage: England.

Invest and Grow

Coverage: Lincolnshire, England.

Growing the Humber

Coverage: Humber, England.

Green Port Hull

Coverage: Hull.

Smart Concept Fund

Coverage: Wolverhampton, England.

Marine & Maritime SME Growth Fund

Coverage: Solent and New Forest, England.

Isle of Wight Rural SME Fund

Coverage: Isle of Wight, England.

Invest to Grow

Coverage: Derbyshire, England.

Invest to Grow

Coverage: Keele, England.

Internment Subsidies for Employers

Coverage: Exeter, England.

Horizon 2020

This award will be closing in 2020.

Horizon 2020 is a large EU fund of 79 billion euros designed to support SMEs all across Europe. You can access funding calls through some UK government agencies and organisations. You can use the funding to:

» create something too enormous to build alone
» work with companies throughout a value chain
» create access to technology and science
» find and draw on the skills and expertise you need
» investigate opportunities to test innovative ideas and solutions.

Horizon 2020 bids range from £100k to more than £10 million. Horizon 2020 has a complicated bidding process with several different grant calls going out at any one time, as well as various delivery agencies. The grant focuses on EU inclusion, so you will likely have to bid with at least one other company from another member country of the European Union.

List of closed/inactive business grants

Business grant schemes are in the habit of opening and closing several times over their lifetime. Below, you will find business grant schemes that are both temporarily and permanently closed. If you can't find anything relevant to your business on the main list, it's worth checking this list to see if any grants here have become active again.

Power to Change Community Business Fund

The Power to Change Fund is designed purely to support community-based businesses in the UK. This means businesses run by local people for local people, in the way of protecting local services and meeting local needs. Aside from social entities, community-interest companies and charities, they do fund limited companies but are very strict on the community criteria. Take a closer look at the four essential features of a community business.

You will need to propose a project beyond your usual line of business, provide a full year's accounting information and be able to fund part of your project from another source.

Power to Change funding runs from £50,000 to £300,000. Note that they will not fund projects in full; you will require some other source of internal or external finance to put towards the project proposed.

Grant for Business Investment (GBI)

GBI is a capital grant offered by the Regional Development Agencies (RDAs). This mainly intends to help businesses expand and diversify their perspectives. It can help entrepreneurs set up a new company or fund a new project.

The grants are given to high-budget projects whose outcomes can be evaluated on a long-term basis. Most often, these grants go towards funding projects that can bring prosperity to economically deprived areas. They are specially granted to offshore wind-manufacturing projects. You can apply for the award directly from the GBI website.

The minimum financing offered is £10,000. The grants are available for businesses of all sizes with different ratios of total project funding provided.

Plug-in Van Grant

As part of the government's aim to push haulage and transport businesses to switch to electric vehicles, the plug-in van grant scheme offers business owners of N2 and N3 class vehicles 20% off the initial purchase price, subsidised by the government.

To be eligible, the purchased vehicle must fulfil commercial performance criteria concerning its range and safety, and must output ultra-low tailpipe emissions. To date, the programme has funded the purchase of more than 2,500 vans.

Funding offered is in the form of a 20% price cut for regular vans costing up to £8,000, with the grant/discount applying to a higher price limit of £20,000 for the first 200 heavy electric vans bought.

Develop & Fund Your Creativity (British Council Grant Scheme)

This fund focuses on fostering innovation and development within the creative industries, including art, fashion and design. A further focus is the development of young people in these sectors, as well as fostering collaboration between countries and cultures. Within this area, grants and programmes run on a rolling basis with new calls coming out regularly; the majority are business relevant, including the Artists' International Development Fund and the Shorts Support Scheme.

Funding varies grant to grant.

Grants for the Arts

The Arts Council have been funding creative projects across England for decades, providing grants to organisations running a vast range of art and cultural initiatives.

Grants for the Arts is a funding programme to support art organisations and individuals in visual arts, dance, theatre, literature, music and more. To be eligible, you must be furthering art and culture, creating a long-term impact and providing a project that is accessible to anyone, such as a play at the theatre or an art installation.

To date, the Arts Council has given out £1.5 billion in funding and grants to eligible projects. Grant for the Arts provides between £1,000 and £100,000 in funding, which may cover up to 90% of a project.

Collaborative Research and Development

The Collaborative Grants scheme endeavours to push forward the boundaries of technology by providing significant grant funding to fund and accelerate research and development programmes run by UK organisations developing new products, services or processes.

To qualify for collaborative R&D grants, you must be a UK research organisation or business, be working in the science, technology or engineering industries and be collaborating with a fellow research partner or company.

Collaborative Research and Development Grants can cover up to 60% of the total project cost and can be anywhere between £25,000 and £5 million.

Spaces 4 Change (Ultd grant)

The Spaces 4 Change programme aims to support young social entrepreneurs in taking ownership of vacant or underutilised spaces in their local area to use as office or retail outlets for new social ventures.

To be eligible for the programme you will need to be aged 16 to 24 and based in the UK. You can apply as an informal group or individual and must have a clear project plan in place with specific outcomes.

Up to £5,000 in funding is available.

Do It Awards (Ultd grant)

In their own words, the Do It Awards are here to "help you to create more positive social impact". They are designed to provide one-to-one support, expert advice and a range of resources for young social entrepreneurs who want to turn their idea into a thriving social venture.

Monetary finance is not specified, and it is unclear what form this investment would take. It's best to ask before applying.

Low-emission Vehicles Grant

The plug-in grant allows auto manufacturers and dealers to apply to get grant funding to reduce the price a business or individual will pay for any given car that meets government emission or electric targets. The overall cost to the customer is therefore reduced and more sales are generated for dealerships and manufacturers of economical car models.

To be eligible, you will need to be a car dealership or manufacturer, and you will have to apply on behalf of the customer. Vehicles available for a grant include select category one, two and three cars, as well as motorcycles, mopeds, hybrids and vans (in this case, a plug-in van grant may be better).

The scheme offers 35% off the purchase price up to a maximum of £3,500 on eligible vehicles.

The Environment Now

In partnership with O2, the National Youth Agency are running The Environment Now programme, providing grants to young people aged 17 to 24, who have come up or are coming up with innovative ways to use digital technology to provide original solutions to environmental issues.

The grant is primarily for young people using innovation to improve energy efficiency, recycling, and waste reduction. Aside from a grant, you will receive work experience, mentoring and professional insight into your project area.

The Environment Now grants scheme from O2 offers up to £10,000.

The FedEx Small Business Grant

The FedEx Small Business Grant is a general funding award offered to UK-based or global small and medium businesses that have been in operation for two or more years with fewer than 100 employees.

The initial stage of the application requires you to submit details about your business goals to FedEx online. A shortlist of companies will be asked for business plans before they reveal the winners of the grant. The

FedEx Small Business Grant is worth up to £20,000, with smaller grants of

£5,000 for two runners-up. Note that this competition is currently only open to US start-ups.

Heritage Lottery Fund Start-up Grants

Heritage Lottery Grants are only available to individuals running a non-profit organisation or entrepreneurs who are going to start a new business. They can also help entrepreneurs with introducing new set-ups for their companies. The Heritage Lottery Fund also considers the outcomes of your business endeavours when assessing applications. The applications remain open for the whole year so you can apply at any time. It takes eight months to process an application.

Heritage Lottery Fund Start-up Grants have no amount of funding specified. You'll have to apply or enquire to find out.

Launchpads

The Launchpads grant funding competitions are for companies looking to turn new, innovative and exciting ideas into viable commercial projects. The grants are primarily for businesses in specific areas of the country and are allocated three times a year, though these change intermittently; check the site for details.

To be eligible for a Launchpads grant, you need to be a small or medium-sized business in the early stages of development, working in the technology industry. You must be in an applicable geographical cluster, or be planning to move there, and have ambitions to grow your company.

Launchpad funding competitions typically run three times a year and offer up to £100,000. You must be able to match the grant amount with the same amount of private or self-funding.

Small Business Research Initiative (SBRI)

The SBRI provides contracts and funding for businesses to carry out research or development of new products or services for the public sector.

The programme aims to fund innovative ideas that can enhance public services or solve a specific public-sector problem.

Any business is eligible to apply for an SBRI contract or grant. SBRI initial funding is between £50,000 and £100,000, with further funding of up to £1 million available to develop your project or idea.

Smart Grants

The Smart Grants scheme provides grants for start-ups researching and creating significant technological or scientific breakthroughs. Three kinds of Smart Grant are available:

» Proof of Market, 60% match funds, £25,000.
» Proof of Concept, 60% match funds, £100,000.
» Prototype Development, 45% match funds, £250,000.

The level you can apply for depends on the stage of your company, your finances, and what you are looking to develop. You will need to be an early-stage business, have serious growth ambitions and work in the technology, science or engineering fields.

Smart Grants range between £25,000 and £250,000.

Innovation Vouchers

Innovation Vouchers represent a relatively small but useful government grant to develop an innovative idea or new product by giving you expert know-how. Innovate UK will help you source the right expert for your business from one of the following:

» Universities and FE Colleges
» Technology and Research Institutions
» Consultancies and Catapult Centres
» Advisers on design
» IP Advisers

You can apply and get more information on Innovate UK here. Innovation Vouchers cover up to £5,000 to pay for externally based experts and consultants to grow your business.

Childcare Business Grants Scheme

A recently opened grants programme, the Childcare Business Grants Scheme is intended to support entrepreneurs in setting up their own childcare business. This grant programme is part of the UK government's strategy to increase the amount of childcare available to UK working parents while decreasing the overall cost.

Only new businesses are eligible to apply for this grant. This means any company not more than three months old, registered after 1 May 2017. Grants are available for three specific types of business:

» Early years childcare provider or childminder on domestic premises.

- » Early years childcare provider or childminder working with special needs or disabled children on domestic premises.
- » A standard childminding agency.

The scheme comes from the Department of Education. There is a limited amount of funding available, and the programme will stop once this fund has expired, so apply soon!

Childcare grants range from £500 to £1,000.

Feasibility Studies

Feasibility Studies grants will support you in testing a new business idea to see if it will work. This includes new product development, new process development, business model development and service development.

To qualify, you must be a United Kingdom-based research organisation or business and be able to showcase your final project at a national collaboration event. Your proposals must be business focused and meet the theme of the grant.

70% grant-funded up to the amount of £400,000 is available. Research organisations can get up to 100% depending on the project.

Growth Vouchers Programme

The Cabinet Office Behavioural Insights Team, in collaboration with the Department for Business Innovation and Skills (BIS), run the Growth Vouchers Programme. The programme offers to cover the costs of expert advice needed by a business from individual and group consultancies in the private sector. The advice areas covered under the scheme include digital technology, attracting customers, marketing, recruiting, empowering staff, enhancing leadership skills, management training, raising external finance and managing company finances.

Most small businesses are eligible for the Growth Vouchers Programme. You will need to fill in paperwork in advance and afterwards to claim back money spent on consultancy.

The Growth Vouchers Programme offers varying amounts of funding from year to year.

Design Leadership Programme

The Design Leadership Programme offers the public sector, businesses and universities a bespoke package of support and coaching to help them use design to innovate and grow. The funding is also available to science-based start-ups. The full cost of the packages available through the Design Leadership Programme for technology ventures ranges from £1,000+VAT, depending on the need and scale of the business. You can contact the council at the following email address: info@designcouncil.org.uk.

The Design Leadership Programme is a subsidised programme offering up to ten days of design and innovation-focused mentoring over a period of six to 18 months. Most programmes cost between £2,000 and £10,000. If your application is accepted, you will receive a subsidy, meaning you will only have to pay 50%.

This grant is only available to businesses located in Barrow-in-Furness Borough, Cumbria, England.

Small Capital Grants and Large Capital Grants

A funding programme from Arts Council England is enabling organisations to acquire the right equipment and infrastructure to deliver their work, becoming more productive and resilient in doing so. The grant aims to increase innovation, sustainability, and environmental friendliness within the companies it funds.

To be eligible for funding, your project must fit the Arts Council criteria (Arts and Culture), your grant request must be for capital expenditure, and you cannot receive national portfolio funding. They also advise speaking with the Arts Council about your project before applying.

Small Business Capital Grants and Large Capital Grants offer up to a maximum of 85% of the total project cost with a grant amount between £100,000 and £499,999, with Large Capital Grants going significantly higher.

The Great UK Challenge Fund (UKCF)

Run by VisitEngland, the Great UK Challenge Fund supports businesses delivering economic benefit and job creation through a new project. The funding is available to innovative companies operating in the tourism, education, trade and investment sectors across the United Kingdom.

The fund is over £2 million and is part of the GREAT campaign. Businesses operating in the tourism sector or bringing in international students for education are particularly attractive to the scheme.

The Great UK Challenge Fund offers to fund between £50,000 and £200,000.

Women in Innovation (In-focus Funding Award)

The Women in Innovation awards programme represents one of the best programmes available to women in business, providing significant grants for female entrepreneurs and leaders.

Awards go to women working across four sectors: enabling cutting-edge technologies, infrastructure systems, health and life sciences, and manufacturing and advanced materials. You can be an employee, company owner or sole trader working in innovation.

Twelve women will receive a bespoke support package, with four of these winners receiving £50,000 each.

Leicester for Business

Leicester for Business is for pre-start-up and business support. You must have a business address in Leicester, have no more than 249 employees and be over the age of 19 to access the grant. Business support is offered to individuals thinking of becoming self-employed or starting a limited company.

The maximum amount of funding you can get is £3,000. Start-up companies are introduced to a network of clients and exposed to workshops and seminars that can help them grow. Small businesses will receive a business coach for 12 months to aid their sustainability and growth.

Coverage: Leicester.

Community Business Bright Ideas Fund

The Community Business Bright Ideas Fund is here to support community businesses by providing early-stage capital and expertise, aiding in turning ideas into businesses and growing existing community companies.

All community-run and owned businesses, including but not limited to community-interest companies, can apply for support and funding.

The Community Business Bright Ideas Fund offers up to £15,000; the stage of your venture will affect the amount of finance you can access.

E-Business Grant

Run by the Welsh Government, E-Business Grants focus on helping businesses develop eCommerce services. You should have fewer than 250 employees and must have been in business for at least a year. You can apply for the e-business support on the Welsh Government's business website.

The E-Business Grant schemes offer a maximum amount of £10,000 in funding. Businesses must be dealing with B2B type operations, and be situated in the convergence area of Wales to be eligible.

Coverage: Wales.

Ceredigion Micro Business Investment Fund

A grant from Ceredigion Micro Business Investment built to support businesses in the Ceredigion area in improving current revenue streams or developing new ones. New companies or applicants who will create jobs have priority.

The grant can cover costs including website development, IT infrastructure, attending tradeshows and more. You can apply by reaching out to the fund assessment officer at the council.

This grant provides £1,000 to £5,000 in funding to a maximum of 40% of the total project cost. To be eligible, you must own a business based in Ceredigion County, Wales.

Coverage: Wales.

Business Development Grant

Run by Denbighshire County, this grant intends to assist small companies in growing or new businesses in starting. To be eligible, you must show there is no alternative source of finance available to meet your project needs.

The Business Development Grants offer awards between £500 and £10,000 up to 50% of the full project cost. A cap of £3,000 applies to any applications for marketing. To be able to apply for this grant, your business must be in Denbighshire County, Wales.

Coverage: Wales.

Sustainable Routes

A government-funded initiative, Sustainable Routes create travel-efficiency plans for individuals and businesses, to cut down on travel time, mileage costs and CO_2 output. They also offer grants towards the cost of creating and implementing a travel-efficiency plan in the workplace.

All businesses are eligible, particularly those who are interested in reducing their environmental impact while cutting travel costs.

Up to £1,000 is available in travel funding.

Biffa Award

Biffa Award supports not-for-profit companies who are looking to improve their local community by starting or growing projects near landfill sites in the fields of recreation, partnership, rebuilding biodiversity and community buildings.

Biffa Award eligibility varies based on the location of your project. Check the website for more specific details.

Projects up to £199,000 are eligible; typical grant sizes are not specified but assume some level of match funding is required for larger grants.

The Carbon Trust Green Business Fund

The Carbon Trust operates the Green Business Fund, which covers a certain amount of capital costs for medium and small businesses in the UK when buying energy-reducing or saving equipment.

The grant scheme covers the entirety of the UK, minus Northern Ireland. To be eligible, you will need to purchase equipment from a Green Business Directory or BESA supplier, and the funding is awarded on a first-come, first-served basis until it runs out.

Up to 15% of total project costs with a maximum grant of £5,000 is available.

Discover England Fund

This grant is a £40 million fund run by Discover England designed to support the tourism industry in being competitive on an international landscape. The fund mainly promotes inbound tourism with an emphasis on getting tourists to explore other parts of the UK rather than just London, by creating better transport links and offering customers easy booking options online.

Grants are available for small-scale pilot projects and large-scale collaborative projects. To be eligible for a grant award, you will need to be creating or providing a world-class tourism product or service. The funding amount is not stipulated but depends on the project size. As it is a massive government grant project, we assume there's a requirement for match funding.

Note that this programme is nearing the end of its final implementation period and new applications are likely no longer to be accepted.

Britten-Pears Foundation

The Britten-Pears Foundation supplies grant funding to a range of initiatives involved in music, pacifist and local causes. Concerning grants for music, the foundation has funded many musical projects over the years, including composition retreats and many more. They are currently reviewing funding calls, so be sure to check the website for the latest programmes.

The grant programmes are most likely to be relevant for music-based businesses.

World of Opportunity SME Grants Programme

To celebrate more than 20 years of the Heathrow Business Summit, Heathrow Airport has established a grants scheme offering small grants to support growing businesses in travelling to new export markets.

The World of Opportunity SME Grants Programme provides up to 20 SMEs with funding awards to support trade missions, international trade show attendance or market research abroad.

Up to £2,000 in funding is available.

HS2 Supply Chain Programme

As part of the £33 million Business Growth Programme, the High Speed Two Supply Chain Programme is working with four Local Enterprise Partnerships (LEPs) in the Midlands area to support businesses in securing a commercial contract in the HS2 supply chain.

To be eligible, you must meet the criteria above, and your business must purely operate in the B2B sector and be based in areas belonging to one of the four LEPs.

From £20,000 to £167,000 in funding is available per project. The grant can cover between 10% and 50% of the overall cost.

Coverage: Birmingham City Council, The Marches, Stoke-on-Trent and Staffordshire, and Greater Birmingham and Solihull.

Food Processing Grants

Offered by a combination of government departments, the Food Processing Grants Scheme is funded by the European Agricultural Fund for Rural Development.

The scheme endeavours to enable businesses to make capital investments to create a new company or grow within a rural area. This programme aims to develop the rural economy and generate sustainable employment in the countryside. You will find full details under the RDPE Growth Programme documentation. Note that there are significant requirements to be eligible for grants.

The typical minimum grant size is £35,000.

Coverage: North East, North West, Midlands, Yorkshire and Humber, East Midlands, South East and South West.

Social Impact Investment Fund Grant Scheme

In collaboration with Sellafield Ltd, Allerdale Borough Council has set up a social impact fund with one of the primary purposes being to provide funding and grants to support and grow start-ups and small businesses in the Allerdale area.

The scheme focuses on grassroots small businesses or new ventures in the Allerdale area that can have a positive social or economic impact. Furthermore, an applicant to the grant scheme must demonstrate that they have faith in their business venture, having put finance into their business before the application, or by raising funding from an external finance source, such as through investment, the bank or a loan.

If you are looking for low-cost loan finance, they also provide loans for more substantial amounts, and competitive rates compared to traditional lenders. The grant is administered annually with no specific funding amount specified. You will need to fill in an expression of interest form to find out more.

Coverage: Allerdale Borough, Cumbria, England.

Shop Front Grant Scheme

Launched in 2014 by the Barrow Borough Council, the Shop Front Grant Scheme has a £120,000 fund and provides grants for businesses on specific streets in Barrow town centre that are looking to renovate or upgrade their shop fronts. This could include new windows, facias, signage or lighting. The grant is for small retailers and small independent businesses with fewer than 50 employees.

Furthermore, to be eligible for the grant, you must be enhancing the property in some way rather than carrying out maintenance. Your business must also be open five days a week, must occupy the unit or building proposed for renovation and have property ownership or tenancy for a minimum of 12 months.

Further to the above conditions, projects must be professionally designed, cover only exterior finish, and you cannot have successfully applied for a previous Shop Front Grant from the 2010 or 2012 scheme. If you sell the property that uses the grant, or if the business closes within two years, a percentage must be repaid depending on the time elapsed. The grant size applied for can vary, but the grant can only fund 75% of any renovations or work; the owner or grant applicant must provide the further 25%.

Coverage: Barrow-in-Furness Borough, Cumbria, England.

Scheme Enabling Fund (SEF)

SEF is a substantial fund dedicated to supporting developers in carrying out finance feasibility studies, business case development of new housing schemes and restarting stalled housing schemes to generate employment and housing. To apply to this fund, you will need to reach out to the economic intervention team at East Sussex County Council.

The maximum amount to be considered is not listed, but the remaining fund size is £600,000. The fund will close once it is exhausted.

Coverage: East Sussex County, England.

Incentive to Grow Grant

Run by Eastleigh Borough Council, the Incentive to Grow Grant is a small monetary grant for new and existing small businesses. It can go towards hiring new staff, buying equipment and marketing. To be eligible for the scheme, you must live in the borough of Eastleigh and be or become a member of the Southern Entrepreneurs Association.

Funding is available up to £500, up to 50% match-funded to cover the total cost of the project.

Coverage: Eastleigh Borough, England.

The Gloucester Business Growth Grant Scheme

Gloucester City Council manages this grant scheme to support local economic growth by providing grants to businesses located in Gloucester. The money must be used towards capital costs such as premises or equipment purchases, among others.

You must express interest through the form and, once assessed or approved for grant funding, provide receipts from the project, for which you will be reimbursed. You will need to be able to pay the full amount upfront for the project.

Grant funding of £1,000 to £10,000 is available, with most grants limited to £5,000. The award can represent 30% of total project costs for businesses outside the city centre and 50% of total expenses for those inside the city centre.

Coverage: Forest of Dean, Gloucestershire, England.

Growing Enterprise Grant

A grant programme to support the growth and diversification of SMEs in the Lincolnshire area, this scheme is for both capital and revenue projects. Grant funding is between £1,000 and £2,000, covering 25% of total costs.

Coverage: Lincolnshire County, England.

Regional Investment Aid Merseyside

This is a fund designed to alleviate unemployment in Merseyside and provide money and jobs by offering grant funding to small, medium and large enterprises. Any grant can be used for construction, paying staff or buying and replacing new machinery and equipment.

Businesses from all types of industries are welcome to apply, apart from those in steel, synthetic fibres, coal, shipbuilding, fisheries or agriculture product production. The funding amount is not stipulated but pinned to the intervention rate set for SMEs and large businesses by the regional aid map of 2013.

Coverage: Liverpool City, Merseyside, England.

Business Growth Grant

This Business Growth Grant is for slightly more established businesses who can produce a solid business plan and create at least one full-time job as a result of the project and grant. The Mansfield team will also help you form a growth plan and calculate the costs involved.

Up to £5,000 in funding is available.

Coverage: Mansfield District, Nottinghamshire, England.

Northamptonshire Digital Enhancement Programme

The Digital Enhancement Programme provides financing to support SMEs in digitally enhancing their business. This enhancement could take the form of creating an e-commerce website, upgrading an ordering system, developing bespoke software in-house, developing new digital production or application to support the business's operations.

To be eligible, you need to have a small to medium enterprise with fewer than 250 employees based in Northamptonshire. You must also have a clear plan and idea of how new technologies and capabilities gained as a result of the grant will help your business.

The grant award offers up to £5,000, 50% match-funded. Coverage: Northamptonshire, England.

Ready2Grow

With over £220,000 in grant funding already given out, the Ready2Grow funding scheme is an excellent source of finance for new and expanding businesses, based in Northamptonshire, that are looking for financial and informational support and advice to achieve and sustain growth.

To apply, you will need to reach out to the council and propose a relevant project within your business. The whole process will likely take eight to 12 weeks. The grant amount is based on the recommendation of the council business adviser.

Coverage: Northamptonshire, England.

The Rochdale Apprenticeship Progression Grant

The Apprenticeship Progression Grant run by the Rochdale Borough Council provides employers with a grant for further educating apprentices. This grant also includes funding for the apprentice. The priority areas for funding are management, engineering, manufacturing and health and social care.

The funding is issued when apprentices progress to advanced or higher apprenticeship qualifications in priority sectors and are residents of Rochdale.

£1,000 is available per apprentice with a maximum of two grants per employer.

Coverage: Rochdale Metropolitan Borough, Greater Manchester.

Rutland Grants and Funding

Rutland County Council offers different types of financial support to new and small businesses choosing to call Rutland County home. These grants are match-funded and designed to support a wide range of business applications depending on location and business size. You will need to contact the economic development team for exact numbers.

Coverage: Rutland County, England.

Evalu8 Low Carbon Transport

Under the Innovation Grants scheme, evalu8 are actively offering consultancy on low carbon transport technology to SMEs in the East of England.

The grant is intended for companies who need advice in developing new products, services or processes related to low carbon transport technology. There are no specific eligibility requirements beyond those required under the Innovation Voucher Scheme.

£1,000 worth of consultancy is available.

Coverage: Herefordshire, Cambridgeshire, Suffolk, Norfolk and

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Bedfordshire.

AVDC Business Grant

Established businesses in Aylesbury Vale, those trading for more than a year, can apply for grant projects that help companies continue to grow and improve business performance. Once an application is received, it undergoes evaluation to see whether the company is eligible or not. If you qualify and would like to receive an application form, you can find them on their website.

The AVDC Business Grant can award a maximum of £5,000 for existing businesses who have traded for more than a year, covering up to 50% of the cost, excluding VAT. Turnover is expected to exceed 10% per year from the date the grant is awarded.

Coverage: Aylesbury Vale, Buckinghamshire, England.

Ashfield Markets Grant

The Ashfield Markets scheme allows new market traders to get a financial award to support their new venture in moving into the Idlewells Indoor Market.

Up to £1,500 is available in grant value. It also provides up to £500 for traders looking to move into several local indoor markets.

Coverage: Mansfield District, Nottinghamshire, England.

Business Start-up Grant

Start-up businesses in Aylesbury Vale, i.e. those trading for at least three months or up to a year, can apply for grants aimed at improving their business performance and growth. The fund director is the Aylesbury Vale District Council. The maximum number of employees you should have is 30.

The AVDC business fund can award a maximum of £3,000 for early-stage businesses for improving business performance and growth, with AVDC paying up to two thirds of the project cost.

That concludes the round-up of grants available, although it is only a small selection of the literally hundreds available through local and central government, and from various other awarding bodies, including other businesses. As you can see, there is money out there to support you in your venture if you know where to look. However, whilst correct at the time of going to press, this is probably not a comprehensive list and will certainly be subject to ongoing change. Funding Nav tries to stay abreast of these changes and can advise on any current opportunities should you be in the market for grant funding.

Other Ways of Getting Free Cash

Asset utilisation

You know the feeling of finding a pound coin under the cushion of your sofa, or a forgotten ten pound note in a pair of trousers you haven't worn for some time? Well, that's the idea behind this strategy that is always one of the first things Funding Nav looks at when we come into a new client's business.

Businesses don't grow in straight lines, do they? Generally, they create demand and then increase their capacity so that they can match it with their supply. But often, supply moves ahead of demand because you generally can't increase your facilities, such as office or warehouse space, in a smooth, straight line, as the cost and inconvenience of change is too high. So, businesses can run with surplus capacity of space, desks, human resources, distribution or delivery.

Alternatively, even when a business claims to be running at full capacity, it is surprising how the office can be reformatted to fit in an additional couple of desks, or the warehouse rejigged to include an additional ten pallets, or the van rerouted to make ten additional drop offs each week. Well, guess what, this additional capacity has an opportunity cost for each day that it's under-utilised. Desks are rented at c£500–£800 pcm in London by Weworks and The Office Group, so yours have a definite value depending on your location and the quality of the office and services you are including. This has, of course, diminished somewhat as the WFH movement has taken hold.

Pursuing this strategy can often seem like a pointless diversion to businesses, but through it, Funding Nav often finds c£25k of additional income per annum. This can subsidise an extra staff member or correlate to an additional £250k of added equity value if your business sells at ten times earnings.

There are websites you can use to advertise your capacity, such as sharemyoffice.com, and this is an area where Funding Nav is planning to launch a specific offering, so keep an eye on the website.

There are also a couple of Australian-based trading exchanges. These enable you to trade your surplus capacity, which might have little or no value to you (for example, hotel rooms in winter), with other members who could offer you their own surplus capacity to your benefit. Think of the possibilities with, say, printing or marketing services. Check out Bartercard and BBX if this is of interest.

Partner or incubate with a large company

For many big businesses, their most effective R&D is in fact M&A (mergers and acquisitions). It happens across all industries but especially in the fast-moving world of tech. However, examples include Coca Cola's purchase of Innocent Smoothies, McDonald's purchase of Pret and Google's purchase of *DocVerse*, which allowed Google to accelerate the adoption of its Google Docs product. In fact, Google has bought a company every two weeks over the last year, and that may well represent the best value exit that the acquired company founders will achieve, since they will get some leverage against the value they will bring to the behemoth. Same with Facebook and Amazon etc.

In a similar way that private equity likes to court businesses in advance of acquisition, ditto large potential trade acquirers. They may offer you free space at their offices, free advice and, most valuable of all, a scaled- up contract that will enable you to create early economies of scale and therefore profit. Google, of course, operate their Campus Incubator in London as well as Madrid, Sao Paolo, Seoul, Tel Aviv and Warsaw as a way to engage with start-ups on an exclusive basis.

John Lewis, the British department store chain favoured by Middle

England, is an unlikely source of the latest technology breakthrough. But the retailer is one of an increasingly diverse range of UK companies to invest in home-grown start-ups. They hope that by working with disruptive technologies from an early stage, they will not lose business to them later – or have to buy them out at high valuations. Technology and finance groups, such as Microsoft and Barclays, have been running start- up accelerators for years. They are now being joined by a more unusual cast of peers, including retailers Topshop and Asos, betting group William Hill, and even windscreen repair group Autoglass.

Funding Nav offers specialist matching services in this area, and a really effective service at creating engagement between big businesses and smaller businesses to their mutual advantage.

ICOs

Initial Coin Offerings were unquestionably the bright new shiny thing in the fundraiser’s armoury when I originally wrote this book. I was, however, somewhat nervous about including this phenomenon in something as permanent as a book for good reason, because it’s just not a thing anymore.

An example of the issues of lack of regulation and the enormous hunger for tokens that existed in 2017 is UET, which has raised $215k to date, according to their website. Not that impressive when compared to Cashaa or some of the most successful ICOs of the last year that have raised sums in excess of $100m. However, it is actually quite impressive when you consider that, if any of the investors had bothered to read the white paper that accompanied the raise, they might have noticed that the sponsors were quite clear in stating that UET actually stood for Useless Etherium Token and that its purpose was this message: ‘You’re going to give some random person on the internet money, and they’re going to take it and go buy stuff with it. Probably electronics, to be honest. Maybe even a big- screen television. Seriously, don’t buy these tokens.’

For more, go to the hilariously honest https://uetoken.com/.

I know I gave Bernie Madoff as a glowing example of a marketing genius in an earlier chapter, but he only raised $60bn in a lifetime of fraud and deception, and wound up in prison for the rest of his life as a result. Bitcoin founder Satoshi Nakamoto, on the other hand, is now worth a reputed $20bn and rising, and, not only is he not in prison, but no one knows who he is, where he is or whether he really exists at all. Locking him up would be a bit like locking up air. Plus, of course, there's the fact that, despite having created something that appears quite Ponzi-like in that Bitcoin is an investment that has no real investment value – the only true value is in selling to someone who believes that the non-existent value actually does exist – in reality, he hasn't done anything illegal. The reason for that is that Bitcoin investors, like UET investors, should know what they are in for.

So, I know that by writing this book I set myself up as an expert in all these areas, but to answer the question of whether you should raise funding via an ICO, the answer is a resounding no!

11

Raising Equity

SEIS & EIS

These tax incentives that the UK HMRC makes available to UK income tax payers are enormously important in underpinning the UK market for unlisted equities.

The Seed Enterprise Investment Scheme, and its slightly less beneficial and more grown-up cousin *The Enterprise Investment Scheme*, are the government's tax incentive to UK income tax payers to try to level the playing field between the relatively high risks of investing in the shares of unlisted small companies, relative to the much safer and more liquid investment of investing in listed equities.

They both operate with a similar mechanism, offering income-tax-paying investors in qualifying unlisted companies a series of tax benefits that effectively somewhat underwrite and de-risk their investment.

What are the benefits and stipulations of SEIS for investors?

- Investors can receive initial income tax relief of 50% on investments up to £100k per tax year in qualifying shares issued on or after 6 April.
- A CGT exemption will be offered in respect of gains realised on the disposal of assets that are reinvested through SEIS in the same year.

- The individual investor can be a director of the company, but not an employee.
- An individual's stake in the company can be no more than 30%.
- SEIS tax relief applies only to recently incorporated companies.
- The company must have 25 employees or fewer, and gross assets of up to £200k.

What are the benefits and stipulations of EIS for investors?

1. Income Tax Relief

There is no minimum investment through EIS in any one company in any one tax year. Tax relief of 30% can be claimed on investments (up to £1m in one tax year), giving a maximum tax reduction in any one year of £300k, provided you have sufficient income tax liability to cover it.

EIS allowances are allocated individually. Therefore, a married couple could invest up to £2m each tax year and be eligible for income tax relief. The shares must be held for at least three years from the date of issue or the tax relief will be withdrawn.

People connected with the company are not eligible for income tax relief on their shares.

2. Capital Gains Tax Exemption (CGT)

Any gain is CGT free if the shares are held for at least three years and the income tax relief was claimed on them. Shares can be held for much longer and therefore potentially enable the investor to accrue their CGT exemption over a long period of time, which can be a great attraction.

3. Loss Relief

If shares are disposed of at a loss, the investor can elect that the amount of the loss, less income tax relief given, can be set against income for the year in which they were disposed of, or income for the previous year, instead of being set off against any capital gains.

4. Capital Gains Tax Deferral Relief

Payment of CGT can be deferred when the gain is invested in shares of an EIS qualifying company. The gain can be made from the disposal of any kind of asset but the investment must be made one year before or three years after the gain arose – connection to the company doesn't matter. Unconnected investors are eligible for relief from both income tax and CGT.

As a company owner, you need to write to HMRC seeking clearance to offer your shares under either of these schemes. Generally speaking, the process takes a few weeks but is relatively straightforward.

Crowdfunding

So, hopefully, you now have clearance from HMRC for one of the above two schemes for your company's shares, as that will help potential investors to offset part of their investment against their overall income tax liability. Crowdfunding offers you an excellent route to raising the capital you need to realise your plans.

The reasons for this are multifold:

- The crowd will help you to sense-check your idea before you spend too much time or money on it. The process of raising in this way is symbiotic with your general marketing efforts, as you need to sell the service or product idea and then the shares themselves.
- The marketing of the shares will raise your company's profile and ultimately create a crowd of, hopefully, bought-in, shareholding advocates who will, especially in B2Cs, act as your extended salesforce.
- You will normally be able to achieve a higher valuation with a crowd of shareholders than you will with a single financial investor. Smaller investors generally do very little due diligence, and are often content to follow a lead investor and get some great rewards (often discounts in the future) from the company.

Raising funds in this way will, realistically, take three to four months and will, frankly, be an enormous diversion of resources for the business away from the general day-to-day management. Often it can be a good idea to bring in a facilitator like Funding Nav to help manage the process.

This process starts with the selection of a platform, and there are numerous options. The two biggest are Crowdcube, with almost half a million people on their data base, and Seedrs, who do slightly more deals but at lower average valuations. At the time of writing, these two businesses are undergoing a merger because both are loss-making and the market needs to consolidate.

We have a full list of options available in the online resources at www. fundingnav.com. Typically, expect to pay between 5% and 7% of funds raised to the platform you choose on completion of a successful raise.

Having decided on how to manage the process and which platform to use, you will need to create your funding website which basically has three components.

The three components for your funding website:

1. Your pitch plan.
2. Your pitch numbers.
3. Probably most importantly, your pitch film.

You should visit all the sites and see what's working and what's not currently working as a guide to how to proceed.

You then need to create a list of all your potential backers because it will be up to you to build this initial momentum. This takes a lot of balls and effort as you get on the phone and start pitching. Most successful raises have 30% in the bag before they launch, so you'll need to bear that in mind. Without a clear idea of where your lead funding is coming from, then don't waste your time trying to crowdfund as the chances of success are very, very remote indeed.

In deciding how much you need to raise, bear in mind that, with most platforms, the rules are that if you don't achieve your target, then generally you get nothing. You do, however, have the opportunity to overfund, and nothing sells better than 'oversubscribed' as we saw from the example of *The Shed*. You will need to come up with a valuation and a rationale, as it's more an art than a science, plus a series of rewards to entice potential shareholders.

All this will take a few weeks. Then the platform will do some checks before you go live.

Initially, your clock will tick up because of the lead investors you've managed to recruit yourself, which will give the impression of momentum. Then it's down to you and your team to start issuing updates online, on the phone and face-to-face to your list of contacts and potential investors. Hopefully, at some point, the crowd will follow you, but in my experience they have a herd mentality so tend to follow success. This is a good reason to keep your initial ask on the low-ish side, because it's easier to build momentum when you are already overfunded. Plus, there are some investment businesses that will look at you at that point. Having said that, you also need to ensure that the initial ask makes your plan doable – if that's all you get and it's not enough then you're going to look pretty stupid.

So, you really need to have *two plans*. The first and cheapest to deliver is the one you wheel out to try to get funded initially. The second stretch plan only gets wheeled out as you get close to reaching your initial goal. This second one has all the bells and whistles and will hopefully get you to where you need to be much more quickly.

Obviously both these plans should be at the same valuation.

For the *second stage plan*, you can change the length of time that you are live on the platform, making it shorter or longer (within reason), and you can reduce your valuation during the raise, which would obviously be retrospective to all the initial shareholders. However, this, of course, is really the last thing you want to be doing as it will throw your credibility into doubt. Much better to get more aggressive on the rewards and be more active on the phones before you even consider doing that.

Once you have (hopefully) reached your funding goal and the raise closes, the platform will do a load of due diligence and spend a frustrating few weeks filling in forms before transferring the funds. One of the failings of most platforms is that you can't touch the money, not even the cash that came through your own network as lead investment, until it has all been through the due diligence process. For businesses that are very short of cash, you can imagine just how frustrating and dangerous this last part of the process is.

An example of how valuation can be boosted in this kind of fund raising is a tailoring business that one of our consultants helped recently. The business was less than two years old in its current form, was turning over a couple of million pounds per year, and losing several hundred thousand pounds. By using a cleverly structured list of investor rewards, they set out to raise £500k at a £10m valuation. Honestly, even I thought that they were being hugely optimistic! However, not only did they raise the £500k but in addition they were overfunded by an additional 80%, so walked away having sold 9% of the business for £900k. Then, within a year, they hit up the same investors and sold an additional £400k of shares at the same valuation. Evidently the investors were motivated by factors other than absolute return, such as EIS, discount rewards and a sense of connection to the brand.

The issue will be for businesses such as these that any downturn in business might see them look to tap up investors again, and they will struggle with valuation.

You can also crowdfund without selling equity, on platforms like Kickstarter and Indiegogo. This can work well if you have either a local interest business or a highly innovative ground-breaking product. Buyers pay in advance to fund production and development in exchange for discounts and rewards. Again, like with equity crowdfunding, this can be a good way of market researching an idea before you have any real traction or know whether the concept is viable. It is somewhat hit or miss however.

Angel Networks

One of the places that you should be hitting up in advance of your crowdfunding raise is angel networks. These are a more sophisticated version of the crowdfunding equity, with hundreds rather than hundreds of thousands of members. The lowest investment on crowdfunding platforms is just £10 and the average is about £2k. However, angels start at about £10k and an average investment is £25k.

Typically, angels will want some kind of representation on your board. This can be a good thing as, hopefully, they will have a load of relevant experience that they can bring to bear. It also means you will need to be really sure that this is a person you can work with – not only in good times, but in bad times too!

If you visit the members section of The UK Business Angels Association, you will find a pretty comprehensive list. However, they are normally overwhelmed with applications, so it's often best to work with an intermediary like Funding Nav to help you form your strategy and make the initial approaches where there are ongoing relationships. Funding Nav also has its own FCA-regulated platform, which is in partnership with The London Stock Exchange, and regularly helps businesses to reach out to likely investors from it.

Private Equity and Venture Capital

Often entrepreneurs confuse these two. Whilst both invest in unlisted growing businesses, the major difference is in their risk profile. Private Equity businesses often build relationships with potential investees over months or years, and invest at enterprise rather than seed or scale-up stage. Sometimes they will only make one or two investments in a year, and generally these are much larger than VCs. VCs often claim to invest at seed stage but frankly, with a few exceptions, this is normally not true. They certainly entertain early-stage meetings but this is usually to fill their pipeline for later when businesses have some traction, which normally means around £1m of revenue.

Venture Capitalists have a much more adventurous approach, as their label suggests. They often invest earlier and with more risk.

Each investment normally has to have the potential to repay the whole fund because their hit rate is so abysmal. So, let's say for example that they have a fund of £50m and they make 50 investments of £1m each. Then each investment needs to have the potential of growing 50-fold, which obviously rules out most companies as a possible investment to them. Typically, out of ten investments they may successfully exit one, and be left with nine in various states between bust and zombie.

If you accept investment from either PE or VC, then you will definitely have them or their representative on your board. You will also need to watch out for ratchets in your agreement with them that will reduce your shareholding should things not go according to the very ambitious plan you would have had to agree to in order to solicit their interest in the first place.

Sometimes, these businesses dislike working with intermediaries such as Funding Nav, so you may be better approaching them yourself, but you will need support in the background creating a hit list of named leads and creating and refining an investable plan. The problem is that they receive literally hundreds of plans every week, of which they reject the vast majority, so how do you make your proposal stand out? The best chance you have is to make an unsolicited personal approach to one of the main decision-makers. Fortunately, they tend to be reasonably gregarious by nature, so going to the same events as they do and making yourself known to them is a good idea. Good organisations that facilitate these kinds of events include Tablecrowd, The Business Funding Show and the UKBAA. So subscribe to their websites and see what turns up. Funding Nav retains highly specific data on all of the main decision makers and we are happy to help. As with all business contacts, ensure that you follow up through LinkedIn immediately after any meeting, and then check out your new contact's primary contacts to further embed yourself into their world.

Tier 1 Innovator Visa

As a committed Brexit remainer, I've found it hard to find much positivity in the UK's decision to Brexit in a world where, increasingly, issues need to

be dealt with on a cross-border and global basis. But the likely expansion of the T1 Visa system is a definite exception as it offers a great business advantage. In common with most other countries, potential immigrants to the UK can effectively buy themselves a UK passport for as little as
£50k under this system. Currently the system exists for all outside the EU, but post Brexit that will probably include EU citizens too.

Essentially, a qualified investor can receive an initial right to remain in the EU if they invest a minimum of £50k in a UK pre-revenue, innovative, start-up business. This may ultimately be extended to full citizenship in due course. They need to join the board and work in the business and the business needs to employ two additional (currently EU) workers as a result of their investment.

Most applicants in our experience are currently Chinese graduates who decide that they want to stay and make a life for themselves in the UK after university. Their parents, hopefully, have relevant connections in your business sector back in China. If this is the case, then it's a definite win win, as you get an additional £50k, but normally an average of £150k, in your bank account, as well as a motivated and connected Chinese- speaking board member to expose and grow your business in the fastest- growing large economy in the world.

This, however, is not an easy or cheap process to undertake. Predictably, there are often several levels of introducing agent in China, plus a lot of Home Office paperwork to complete. The costs can easily run to 15% of the total investment received. In addition, the Home Office needs to be convinced that the whole deal is kosher, and you and the applicant need to be happy about the prospect of working together over the next five years as a minimum.

Post Brexit, it's likely that the volume will increase and shift away from China towards Europe. But currently there's no limit on the amount of Tier 1s that you can employ within your business so, theoretically, it could become a worldwide, self-funded roll-out in itself. So far, the maximum that Funding Nav and its partners have placed in a single business is three Tier 1 investors, each investing etc.

Unlike many developing country schemes, however, the UK scheme specifically excludes any business related to property, whether investment, rental or management, so if that is your business then this isn't for you. Nevertheless, there is a wall of Chinese money seeking property investment schemes in the UK, so engaging with facilitators such as Etouce, who operate various match-making fairs during the year in Beijing and Shanghai that are heavily property orientated, is a definite way forward.

Funding Nav travels to overseas markets several times per year and engages with immigration agents in the UK in order to help facilitate the matching of businesses with potential investors.

If you feel that a Tier 1 applicant/investor could work well within your business, then please contact me to discuss at stephen.sacks@fundingnav. com.

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Debt

Once upon a time, this subject was simple: you went to the bank manager whose bank held your account and with whom you'd had a lifelong relationship, and asked for either a term loan or an overdraft facility. Nowadays, you probably have no idea who your account manager actually is, your local branch has long ago become a branch of Pizza Express (now closed down) and your calls are answered initially by an infuriating robot who can't understand your regional accent, so passes you on to Rashmi in Bangalore – who can't either. Even if you are lucky enough to track down your account manager, what you will find is someone with boundless enthusiasm to sell you insurance and other financial products, who says that the bank really wants to lend you the money but that he needs to submit a report into the credit committee.

Now, this bit is really interesting because banks take totally the opposite view to equity investors at this point. If you ever watch *Dragons' Den*, you will note that often decisions are made to back the man rather than the plan, since plans are redundant the moment they are produced. However, it's the entrepreneur that the investor will be relying on to sort all the issues out in the long term.. Banks, on the other hand, have created this hierarchy of the credit committee that you'll never meet, which takes your personality totally out of their decision. It also allows them to play good cop, bad cop with you because, when the ever-smiling manager comes back after a few weeks to tell you that your application has been declined, he can push the blame onto the credit committee and not screw up his chance of selling you an insurance product that you didn't want in the first place; a bit like PPI back in the day!

Actually, despite rumours to the contrary, the main banks are in fact lending, but generally not in the SME market directly. Oddly, they are lending to the secondary lending market, which then creates more esoteric, exotic and expensive products that are made generally available to you as an SME owner. This means that they have managed to create their own competition, who lend to the SME sector at eye-wateringly high rates, whilst they are at the same time being flooded with cheap money from the Bank of England. God knows why they have chosen to do this rather than to lend directly as they used to. However, regardless, the situation today is that there is money out there but it can be quite expensive and highly structured, and is likely to come from one of over 300 (yes, over 300!) alternative lenders. These lenders are getting it generally from the banks, who won't give you a second look directly.

On the whole, unless you have a lot of fixed assets in the business or are massively profitable, all lending will need to be personally guaranteed, and it will be transactional so that the lender can keep tabs on it. Basically, it's asset-based lending which is generally around debtors, stock or fixed assets.

Obviously 2020 saw a slew of Covid-related, government-backed initiatives aimed at pumping liquidity quickly into the SME market, principally through deferring tax bills, and the CBILS and BBLS schemes. Both offered massively cheap, safe and easy lending to the sector, but this is unlikely to be repeated.

If you'd like a list of the lenders in the market and what they do, then we try to keep an up-to-date data base at www.fundingnav.com, and have included a short list below.

Types of Debt

These are the main products available, with a short description of each:

- » **Overdraft:** ability to have a negative balance in your current account. This is repayable on demand, so be careful!
- » **Fixed Term Loan:** an amount of money loaned for a given period (say three or five years), normally repayable in equal monthly instalments but not necessarily. (Could also be interest and part capital, with most repayable as a bullet at the end.)
- » **Factoring:** ability to borrow against your outstanding allowable debtor balances, where the bank effectively buys the debt and manages the collection either with or without debtor insurance.
- » **Confidential Invoice Discounting:** as above but where you manage your own debt collection, again either with or without debtor insurance.
- » **Revolving Stock Finance:** funding goods that you order, generally where you have a credit-worthy final customer and an invoice discounting facility.
- » **Fixed Asset Finance:** lease or HP on fixed assets such as cars or identifiable equipment.
- » **Commercial Mortgage:** same as your domestic mortgage but secured on the business's property.
- » **Merchant Finance:** forward selling your credit card receipts.

Please email me at stephen.sacks@fundingnav.com to discuss your business's loan requirements, as we have some really great deals and can raise debt funding very quickly (often within a week from our lending panel, some of whom I list below together with some of their target lends).

BUSINESS LOAN PROVIDER	MINIMUM LOAN AMOUNT	MAXIMUM LOAN AMOUNT	MAXIMUM TERM
ABC Finance	£500	£1 million	5 years
ArchOver	£100,000	£5 million	3 years
Aspire Business Loans	£5,000	£300,000	5 years
Atom Bank	£100,000	£5 million	6 years
Bank of Scotland	£1,000	£1,000,000	25 years
Barclays	£1,000	£100,000	10 years
Bibby Financial Services	n/a	n/a	2 years
Bluestar Leasing	£5,000	n/a	5 years
Braemar Finance	n/a	n/a	n/a
Capify	£5,000	£500,000	12 months
CapitalBox	£2,000	£50,000	18 months
Catalyst Finance	£25,000	£1 million	12 months
ClearFunder	£10,000	£100,000	12 months
Close Brothers	n/a	n/a	n/a
Clydesdale Bank	£25,001	£10 million	15 years
Co-operative Bank	£1,000	£250,000	15 years
Cubefunder	£5,000	£100,000	n/a
Esme	£10,000	£250,000	5 years

BUSINESS LOAN PROVIDER	MINIMUM LOAN AMOUNT	MAXIMUM LOAN AMOUNT	MAXIMUM TERM
Fleximize	£5,000	£500,000	4 years
Folk 2 Folk	£50,000	n/a	5 years
Funding Circle	£2,000	£250,000	6 years
Hitachi Capital	£10,000	£500,000	5 years
Hope Capital	£50,000	£5 million	n/a
HSBC	£1,000	£25,000+	20 years
Huddle Capital	n/a	n/a	12 months
Independent Growth Finance	n/a	n/a	n/a
Iwoca	£50,001	£250,000	3 years
LendingCrowd	£5,000	£500,000	5 years
Liberis	£50,001	£150,000	2 years
Lloyds Bank	£1,000	£1 million	25 years
Market Finance	£5,000	£250,000	3 years
Merchant Money	£5,000	£500,000	2 years
Metro Bank	£2,000	£25 million	30 years
NatWest	£1,000	£10 million	25 years
Nucleus Commercial Finance	£10,000	£250,000	6 years
PFC Finance	£5,000	£1 million	5 years
Rangewell	n/a	n/a	5 years

BUSINESS LOAN PROVIDER	MINIMUM LOAN AMOUNT	MAXIMUM LOAN AMOUNT	MAXIMUM TERM
Rebuildingsociety.com	£25,000	£250,000	5 years
Royal Bank of Scotland	£1,000	£10 million	25 years
Santander	£2,000	£25,000	5 years
Satellite Finance	£3,000	£1 million	10 years
Spotcap	£50,000	£350,000	24 months
Starling Bank	£5,000	£20,000	5 months
Start Up Loans	n/a	£25,000	5 years
ThinCats	£1 million	£15 million	n/a
White Oak	£2,000	£500,000	5 years
Intelligent Loans	£10,000	£250,000	5 years
inFund	£5,000	£150,000	12 months

It’s generally not a good idea to approach lenders yourself, as undertaking repetitive credit checking will have an ongoing and adverse impact on your credit rating, both from a business and a personal perspective.

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Franchising

If you haven't seen the 2016 film, *The Founder,* starring Michael Keaton, which is the biographical story of Ray Kroc, the guy who commercialised McDonalds through franchising, then I would highly recommend that you do. In it we see the power and the pitfalls behind how the world's most successful franchise and restaurant chain was started: from one outlet in San Bernardino, California in 1940 to an astonishing 40,000 outlets in 120 countries serving 68 million customers daily today. That's some progress over 80 years (actually, as you will see in the film, there was no progress at all in the first 15 years and it all started with Mr Kroc in 1955).

Whilst franchising is not strictly a funding strategy, it can work particularly well for roll-outs of successful local business concepts that are seeking scale and reach. Franchising is the method of growth we have adopted at Funding Nav as we scale our own business.

Virtually every successful franchisor starts with a vision of the future and the role their company will play in that future.

Franchising can be a cost and time-effective way to expand a business and open new outlets, as those costs and the time involved are borne by another (the 'franchisee'). The franchisee will pay (the 'franchisor') for the right to use the franchisor's business knowledge, model, name and intellectual property, and by operating the franchise will grow the business's presence and reputation.

A successful franchisor understands the dynamics of the marketplace, the competitive situation and where they fit into the marketplace. More importantly, the franchisor will have an intuitive grasp of where the marketplace is heading and how that will provide the company with an opportunity for growth.

Of course, vision without execution is simply a dream. And this is often where the marketplace will separate the wheat from the chaff.

Franchising is an opportunity for growth, but business owners must realise that there is a process and not all businesses are suitable for franchising.

Whether to use franchising as a strategy to grow a business is of course a big decision. Having a successful business does not mean that multiple outlets will be successful. A franchisor must also consider the shelf life of the business as most franchises are granted for five years.

Franchising has grown to be a significant force in the UK economy, worth £15 billion a year. There has been a 70% increase in its workforce in the past decade. A franchisor can still guard their proven business model at the same time as growing in partnership with passionate entrepreneurs.

Increasing numbers are now attracted to the autonomy and flexibility of being their own boss. As a result, a report produced by the British Franchise Association (BFA) and NatWest showed that last year, there were 44,200 franchisee-owned businesses in the UK, employing 621,000 people.

Starbucks' co-founder: ***"We thought we'd have a couple of stores."***

Sigourney Weaver: ***"I hate that word 'franchise' – it always makes me think of French fries."***

Where It All Began

Franchising started with Isaac Singer way back in the 19th century. Remember the black Singer sewing machine?

Mr Singer wanted to distribute his sewing machines outside his geographical area and provide training on how to use them, as people wouldn't buy them without training and retailers didn't provide this service.

He started selling licences to people in different parts of the country. This licence gave permission for the owner of the licence to sell and teach people how to use the Singer sewing machine. It brought the use of the sewing machine to the public where before it had only been available for commercial use.

In 1955, Ray Kroc, a milkshake-mixer salesman, discovered the McDonald brothers on their hamburger stand. He found they were buying so many of his mixers because they had developed a high-volume production system, which enabled them to provide fast service with consistent results at a low cost.

Ray Kroc became their licensing agent and recruited franchisees, starting in the Chicago area. In 1961, he bought out the McDonald brothers, and now McDonalds is one of the biggest and most successful franchise organisations ever established, unleashing the wave of franchising as we know it today.

Finding the best franchise in this vibrant and growing market comes down to one simple truth: it has to be the one that suits you.

For a majority of franchisees, franchising has proved to be a viable way to become a business owner. For the most part, it offers the lowest risks and the highest level of support – because a franchisor doesn't succeed until the franchisees do.

Many smaller companies are now appreciating the value of franchise partnerships.

The best franchise is the one that matches your experience and skill set; the one that interests you the most and excites your passion to be your own boss. It also needs to fit your lifestyle.

If you do some research into what makes a franchise successful, you will more than likely find the following listed:

1. The Right Business Model
2. Scale
3. Scope
4. Location
5. Market Saturation.

What this actually means is that a business looking to franchise needs to have an interesting brand that catches the eye of a potential franchisee; the business has been trading long enough to prove its worth; there is ample scope to make money and expand the business; it is in a good location and the market hasn't already been saturated with competitors.

A franchise offers a franchisee access to a team of dedicated professionals willing and able to help every step of the way, from site selection, to employee hiring, to the 'grand opening'.

But what about the franchisor him/herself – who is of course a crucial element? After all, without the franchisor there would be no business to franchise.

Interestingly, the five UK sectors widely considered to have the most growth potential (in no particular order) are:

1. Accounting and finance
2. Energy-related businesses
3. Construction and engineering
4. Food and drink
5. IT and technology.

Without a doubt, there needs also to be a good relationship between franchisor and franchisee. The franchisor and the franchisee need to have certain symbiotic qualities, which should include at least:

- Motivation
- Dedication
- Drive.

A successful franchisor must be totally dedicated towards their brand, and have a strong drive and motivation for success. A franchisor's devotion towards the franchise on offer will deliver a positive experience to new franchisees and their customers.

Franchising a business can lead to rapid, profitable growth, but a franchisor will need expert guidance from a reputable franchise consultant to steer them through the maze to franchising success.

What I have found over the 40 years that I have been a franchisor and the 30 years that I have been a franchise consultant, is that a franchisor is only as good as their business and, if they detract from their business by being heavily involved in the franchise process itself, there is every chance they will let go of the reins and the business that is supposed to be the beacon of success will suffer and perhaps even fail.

Taking the foot off the accelerator could be catastrophic for a successful business, and the business should always carry on as before without the distraction of producing a franchise network. A distracted business owner could mean that the business to be franchised might quite easily fail due to lack of leadership, and therefore is no longer suitable to be franchised.

You may be interested to know that it takes in excess of 100 enquiries to recruit one franchisee, and in many cases this number can be significantly higher. I have seen brands, which have a very high level of prospect engagement, require over 200 enquiries to recruit one franchisee.

The franchising process should always be undertaken by a reputable franchise consultant with a successful track record. Franchising can be most rewarding when it's done right, and doing it right means using the expertise that is out there.

KEY POINTS:

- The franchisor–franchisee relationship needs to be one of trust and there must be a **win-win** for both parties. The franchisee has invested their time, money and effort in the business so this must be reciprocated by the franchisor.
- Franchising is **not** a method of reviving a company that is failing financially. Franchising requires dedication by both the franchisor and the franchisee. Selecting the right person to be a franchisee is paramount as they are representing your business.
- Profit **should not be the prime motivator** for franchisors or franchisees. As is the case with any other investment, not every franchise is successful. And even among successful franchise chains, some fare better than others.

PART 3

How to Play

An Introduction to How to Play

This section comprises a week-by-week guide to help you transform your business. Don’t read it all at once and try to make multiple changes as it won’t work. Read a new section every weekend and think about how it relates to you, your situation and your business. Then come up with a plan as to how you will use that section to your benefit. Most importantly, **TAKE ACTION!** Use the space provided to make notes on steps you could implement.

Ideas on their own are worthless without action.

Use the online tools where applicable too, and don’t worry about coming back and revisiting an earlier section later. Action that you take in another section may change your thinking or create an opportunity that wasn’t obvious earlier. Not all sections will relate to all businesses at all times.

Hopefully, over each weekend, you will come up with your own weekly plan concentrating on a different part of the business, and start actioning it each week. Gradually, changes will increase and multiply so that, over time, the direction will be set, and the fortunes of you and your enterprise will grow to create the business you dreamt of at the outset of your venture.

Week 1 - It's all about you

How do you feel on Sunday evenings? Honestly, how do you *really* feel?

Can you remember how you used to feel on Sunday evenings when you originally started your business?

Inevitably, over time, we change. Businesses and industries change too and often these changes are misaligned. This can ultimately lead to a miserable existence as you find yourself working in a business or industry that has grown apart from you, or that you have grown apart from.

Money can also have a big impact on our motivation. Do you still need the money in the way that you did? Are you more risk averse than you were?

All these factors and many others can create a yawning gap between us and our business, which can lead to personal anxiety, stress – even depression – and a business that will inevitably underperform.

If you were in a regular job, you might well go and find a new one that suited you better, but it's different when you run your own business.

Your choices are basically to change the direction of the business to one you feel happier with, to sell or close the business down, or to employ new management, which will free you up to do something you'd rather put your mind to.

If things are OK, or OK-ish, it's very difficult to consider issues like these yourself as you naturally lack objectivity. And it's probably not wise to discuss them with staff or colleagues unless there is someone on the team with whom you have a very high level of trust. Family or friends are better, although they will generally tell you what they think you want to hear.

Ideally this is a discussion to have with your peers – people who are or who have been in a similar situation to you and have their own experiences to share. Joining a mastermind or intimate networking group such as *Vistage* or *The Supper Club* can be a helpful step. Once you build trust with your peers, you will value their input and they yours.

Alternatively, hire a business coach or mentor. Try to avoid the corporate guys who've bought a coaching franchise as they will have little ability to empathise or relate to you and your situation. Instead, look for people or organisations that not only have interesting and disruptive IP, but also have coaches who have been where you are now and can help you set your goals and achieve them. I personally coach no more than four or five clients at a time, as it's intensive work and therefore I'm normally totally committed. We know a number of really good coaches and mentors who get great results, so drop me a line at stephen.sacks@fundingnav.com and I'll steer you in the right direction.

Remember, ultimately the business is here to serve its shareholders and, in the case of SMEs where the owner is also the leader, it's not really about the money but about the satisfaction in creating and living your life's work.

Action

Take time out and speak to people you trust and respect about your own dreams and aspirations.

Be honest with yourself! Make notes of your thoughts about your business, both positive and negative. These can give you clarity and help you to evaluate your feelings and begin to see where change needs to happen.

Create an action plan. There's nothing like a concrete set of steps that you can begin to implement, to inspire you and regenerate your business passion.

Make changes to the business over time that will realign it with your original hopes and dreams.

Fall back in love with what you do. Dig deep to rediscover the original ‘why’ behind your idea.

Notes:

Week 2 - Are you up to it?

Assuming that the business is still for you or that you've taken advice and started to make some changes to it to better suit yourself, the question remains as to whether you are the right person to run it.

Would you employ yourself now?

Again, as with the questions posed in the previous section, it's not a question you can realistically answer yourself, is it?

Whilst it may be illegal to discriminate on most bases when thinking about employment questions relating to others, it certainly isn't when thinking about your own suitability to run the business.

Increasingly, many industries are youth dominated and one thing for sure is that none of us is getting any younger. Are you finding it more and more difficult to relate to your customers as they employ people who are substantially younger than you are to deal with your business? Frankly, that's what happened to me in the last fashion brand that I ran. I had no problems doing the actual work but I was missing the point rather, I'm afraid to say. Success in business isn't all about travelling to meetings, doing deals and then retiring back to the hotel room to get up-to-date on email, which is what I was doing. No, success in my game was all about doing the deal, air kissing, partying with a load of twenty-somethings, getting out of your head and crawling into bed at about 5am having posted a load of pictures on social media. That's the way to build real rapport and get real success in fashion nowadays. Frankly, at 50, I couldn't be arsed and, to be honest, why would the kids be interested in me anyway? I was old enough to be their dad, wasn't Karl Lagerfeld and had no aspiration to be.

So, I bit the bullet and exited, and it was a good

decision! Are you influential in your industry?

Could you become more influential?

Indeed, could you become a key person of influence in your industry? That's part of the reason that made me want to write this book.

Perhaps removing yourself from the day-to-day minutiae of your business to build your own standing in the industry through speaking and writing might be of more benefit to both yourself and your business today.

The media and the internet have conspired to create a world where the power and the wealth are becoming increasingly concentrated in the hands of fewer and more influential leaders. The best opportunities are often shared in a small circle of influence initially, before the rejected scraps are shared amongst the rest of the industry.

Retraining yourself to speak better and write better, to take advantage of the numerous opportunities there are to blog, write and speak, and to use those opportunities as stepping stones that build both your own influence and inevitably your company's influence, are probably a better use of your time now than continuing to do what you have always done and getting the results you have always got.

Action

Re-invent yourself within your business. As in the previous exercise, consult with others you trust and ask them to be honest about what they perceive as your strengths and weaknesses. Make a list, then begin to focus on what you do well and how you could invest those talents and abilities more creatively into your enterprise.

Focus on new skills that could be of benefit to you and to the business. Is there anything lacking? What else could you bring to it that would have a positive impact and potentially stimulate growth?

Think of some top influencers either in your own industry, or in other areas. What are they doing right? How are they attracting a following? The internet gives people access to an audience on a global scale. If you'd like to position yourself as an influencer, what steps could you take to make your presence felt on a much wider platform?

Commit to addressing your skills gap. It's never too late to acquire fresh expertise. This could be just the time to look into some new learning or training.

Think about joining an organisation like The Public Speaking Association to learn to speak better. Learn to write better too so that you can express yourself with greater clarity.

Notes:

Week 3 - Is it still the right thing?

In the previous section, I asked whether you would employ yourself today. Perhaps a more fundamental question would be, would you create the business you currently head if you were starting up today?

Think about it. Is your business in a growth or a dying industry?

Is the location still relevant or is it now a hindrance?

Are there changes a new owner would make that you haven't?

As with some of the questions posed in earlier sections, you will probably not be equipped to answer this last one. So it might be a useful exercise to again invite your peers into your business to experience a day in your life, and for you to reciprocate with theirs. There's great potential here for you to be able to offer each other useful feedback. If you took my advice and joined a mastermind group, then this could be a fascinating opportunity for you to swap experiences.

Looking afresh at your business and asking yourself some seriously searching questions is tough but, ultimately, will be of great benefit to you. It will help you to:

- Reconnect with the venture to go on to bigger and better things.
- Make changes to the direction of the venture so that it can go on to bigger and better things.
- Make changes to your own direction so that you can go on to achieve bigger and better things.

Not forcing yourself to face up to these matters may feel more comfortable but will most likely result in time spent just going through the motions (rearranging the deckchairs). However, the unstated issues gnawing away at you from the inside are potentially a disaster down the tracks when, in its own brutal way, the market answers the question you've been avoiding.

Something else to consider is whether the business is realistically (or potentially) able to pay you the income you require in order to fulfill ambitions in other parts of your life. If it isn't, then you should seriously consider making improvements aimed at either growing its core cash-generating ability, or else adding further arms that will quickly help you to grow its success.

Alternatively, is now the time to sell? Realistically, who would buy a business like yours today? Would you?

Action

Take a realistic look at your and your business's performance over the last few years.

Are you making progress?

Is it getting easier?

Do you still find solutions in the face of day-to-day running problems?

Can you see where changes could be made to stimulate growth?

If the answer to these questions is no, then you have a potential issue that you need to realistically address. This is where having a coach or mentor really pays dividends.

Notes:

Week 4 - Have you got the right help?

Reviewing staffing is difficult as there is so much invested in the relationships in an SME business. Over time, people are employed to fill roles which themselves change and, of course, people change too. Then there are changes in the industry and technology to consider, so the chances of a business's staff being the best at any point, even if they were at the outset, is remote.

Ongoing reviews that are at least annual are an absolute necessity. But these really need to be deeply considered from a zero position, so that it becomes less about examining the incremental changes over the time since the last review, and more about re-looking at the whole enterprise, and the relationship and relevance that the role in question has moving forward.

It is likely that this process will cause conflict, as the main objective of the staff member will be to drive their value up relative to the overall value of the organisation, whereas the business goal must always be to push back so that the organisation becomes increasingly less reliant on individuals and is able to drive down costs relative to output.

The threats to the business by way of cheaper overseas or contract workers and artificial intelligence should be viewed as opportunities during this process. Staff under review need to take all these factors into account when proposing changes they would like to their positions post review. Ideally, the culture of the business should be outward looking, progressive, pragmatic and challenging. If this can be achieved then progress can be swifter and happen with less friction.

Action

Set up robust and useful HR systems.

Ask an outside advisor to help you look at the way the business is currently configured compared to how you might configure it if you were starting again.

- Consider whether you have the right people to fill the posts in your ideal organisation. Ask yourself:
- Do they perform consistently?
- Does their ethos fit with the direction you have in mind for the business?
- Do you see them as having the potential to evolve in line with your ideas and ambitions?
- What can they bring to the business in the face of new challenges?
- How flexible might they be in terms of changes within their role?

Set up a pay and benefits structure that actually improves staff performance, and measure that improvement.

Notes:

Week 5 - Train to improve

Ongoing, lifelong training is a key factor of success in today's fast-moving world. It's simply not realistic to complete 20 or so years of education in one's formative years and then follow that with 50 or so years of work before retirement. The tumultuous change that has enveloped us means that we will all experience several careers in our lifetimes and will need ongoing education to deal with that.

Training should start at the top! It needn't be time consuming or onerous but can easily be slotted into even a busy lifestyle with the minimum of fuss. Mentoring and coaching can be delivered face-to-face or remotely. Audio training can be accessed via Amazon's Audible or through podcasts at a zero or negligible cost, and can facilitate the process whilst you're driving, on a train or plane or just walking down the street.

All employees should follow the leader's example and embrace the opportunity to engage in ongoing self-improvement. As Charles Darwin said, *"It isn't the strongest of the species that survives but the one most adaptive to change."* In order for the organisation to both survive and indeed prosper, its members should be constantly evolving and improving. This needs to be inbuilt within the organisation's DNA.

Unquestionably the quickest and safest route to overall improvement is through the improvement of the staff. I know there is sometimes a reluctance on the part of company owners to fund the improvement of its people, as the view is that they could leave, taking their new-found skills with them. Granted this possibility isn't great, but worse would be a workforce of untrained and untalented staff.

Ongoing training isn't just useful in upskilling your people and therefore your organisation. It's also a motivator, as people will be encouraged that you are investing in them and trusting them to employ their new skills in improving the business.

Action

Consider the cost of either having the wrong people doing the wrong things within your business, or of firing the people with the wrong skills and rehiring those with the right skills. Once you've calculated the amount, set aside a proportion for training the staff you already have. This will not only be cheaper but, as you invest in your staff, you will be demonstrating faith in their abilities within their various roles. This should boost productivity and help morale generally within the workplace.

Training need not be overly specific but could also focus on life skills, such as neuro-linguistic programming, which would have a massively positive impact on the organisation as well as its members.

What skills do you feel are currently lacking among your workforce? Explore different avenues of training available and see what it's possible to employ to fill this gap.

Notes:

Week 6 - Motivate your people

Sometimes it's easy to think of all of the resources at your disposal equally, forgetting that people are a very human resource, which means that they can be unpredictable. Some small business owners have never been employees before and, given the normal lack of an HR department, they can struggle with management issues. The key is to create a culture or allow one to exist that people find motivating. Given that you probably spend more time with the team than you do with your family, they are likely to know you quite well so you need to be authentic.

Unless people management is a core skill, I would strongly suggest stepping back from management as soon as the business is able to support a structure. This is because otherwise leaders can become mired in inward-looking management issues that can easily distract them from the main task of directing all the other resources in pursuit of the outward company goals.

People are motivated positively by gaining money, recognition, ownership and satisfaction, and negatively by losing these. And what is almost universally demotivating is a lack of support, a perception of unfairness and politics. However, as organisations grow it is often difficult to avoid these issues, so regular zero-based reviews and exit interviews are important in monitoring the pulse of the organisation. Agitators are toxic and should be rooted out and dealt with before they manage to create widespread issues.

A client of ours who runs a team of medical specialists recently changed their payment structure so that the team were better remunerated for selling ongoing plans rather than individual treatments. And guess what? More profit and happier, higher-earning staff, but only after a lot of initial resistance and inertia relating to the potential change.

Action

Think about what motivates you. Are there any measures you could introduce that might similarly motivate your staff and create a culture in which they feel confident they can thrive?

What about structural changes within the business? What could you facilitate that might result in higher earnings for your team?

Who is with you? Take swift and decisive action to remove anyone on the team who has an agenda that's different to that of the company.

Demonstrate your trust in those who remain by giving them a high level of responsibility, thus creating a better future both for themselves and for the business.

Use profit per employee as a meaningful measure of success that will align yourself and your team, allowing everyone to see that they can make an appreciable difference to their segment of the profit.

Notes:

Week 7 - Improve your location

Location is impactful and for many different reasons.

Obviously, for retail-based businesses that rely on passing trade, location is famously the first, second and third most important factor for their success.

For most other businesses, it's important but not key.

Clearly cost matters to all businesses but being in close vicinity to stakeholders such as staff, suppliers and customers is important too.

As with so many other factors, things shift over time and a regular assessment should take place where location is considered.

Does your business even need a static location or can it in fact operate remotely through serviced offices/meeting spaces and your people's homes? This is definitely the way forward for so many businesses now that we have to live in a socially distanced world. Maybe your company could help another business better amortise its overheads by renting some desks in their offices, as mentioned in part two.

Perhaps consider incubator space as there is tons of it coming online constantly.

Listed on the next few pages are business incubators* and where they're situated that cater for many different stages of business, but typically focus on early to mid-stage companies.

**BusinessIncubatorsinformationhasbeensourcedfromhttps://entrepreneurhandbook. co.uk/incubation-centres/*

BUSINESS INCUBATORS

London

Google Campus

Google Campus in London is a well-known hub for tech entrepreneurs. The café is a famous meeting point, the events space is renowned for quality and, of course, the broadband is second to none. They also run a range of educational workshops and events for entrepreneurs. As a meeting point, events space or work base, the campus has a vast amount of benefits for entrepreneurs in London.

Location: East London.

Level39

Level39 is arguably the most significant incubation space for fintech, retail, cybersecurity and the smart-city technology companies in London, and possibly even the United Kingdom. Based in the heart of Canary Wharf, one of London's financial epicentres, Level39 offers access to innovative amenities and runs a range of fantastic and well- known networking events. Even to rent space or become a member of the incubator, the application process is rigorous. This means that, if lucky, you will be around an elite network of fellow entrepreneurs, investors and business leaders.

Location: Canary Wharf, London.

White Bear Yard

White Bear Yard is one of London's best kept entrepreneurial ~~secrets; it houses some of London's significant start-ups, including~~ AngelList and Tide. It also houses one of the UK's most prolific and respected early-to-mid-stage investors, Passion Capital.

They have office hours, a range of events and always a lot going on. The monthly desk price includes super fast WiFi, shower rooms, full kitchen, free lunch once a month and much more.

Location: Clerkenwell, East London.

Contact details: You can contact them at info@whitebearyard.com

IDEALondon

One of the more recently started business incubation centres, IDEALondon is owned and managed by University College London. The centre isnot limited purely tostudents/graduates, butisopen toall current, or soon-to-be current, London based early-stage digital technology ventures. There is also a range of investors based at IDEALondon, as well as government schemes such as Capital Enterprise. The centre is a hub for some of London's most innovative companies, and provides all the standard amenities and a great community.

Location: London

London BioScience Innovation Centre (LBIC)

Based in London and managed by the Royal Veterinary College, the London BioScience Innovation Centre (LBIC) was initiated in 2001. The incubator provides life science companies with state of the art lab facilities, office space and much more.

Location: London

Rain Cloud

Rain Cloud is a specialist accelerator for supporting start-ups who are working to create and build the next generation of civtech start-ups (technology that improves the lives of citizens). The incubator is based in London Victoria and provides access to office space and mentorship.

Location: London

London Cleantech Cluster

A clean energy incubator founded in 2012, London Cleantech Cluster specialises in supporting renewable and clean energy businesses and technology development. The cluster brings together many cleantech initiatives in London, and will provide cleantech businesses with access to mentors, office space, and a like-minded community for entrepreneurs building sustainable energy production alternatives.

Location: London

Seedcloud

As an incubator for B2B companies, Seedcloud has been based in London since 2012. They provide a range of support to start-ups, with particular focus on creating a clear roadmap for entrepreneurs, building formidable go-to market strategies and finding suitable seed investors. All the standard facilities are included, such as office space, accountancy support and legal advice from partners.

Location: London

Imperial College White City Incubator

The Imperial College White City Incubator is an incubator programme run by Imperial College, London. It offers incubation facilities for start-ups involved in deeptech, life sciences, engineering and manufacturing. Alongside workspace, it provides a range of virtual office services.

Location: London

Techtopia

An incubator for new start-ups and existing small companies wishing to grow, Techtopia provides serviced office space, investor access and many other amenities to technology-based SMEs. They also boast having a network of successful entrepreneurs who form the basis of their office community.

Location: London

Tech Hub

Tech Hub is a well-known office provider and innovation space across the world, particularly in the UK and Europe. Founded by the editor of Tech Crunch and other co-founders, Tech Hub has become a significant provider of network/events space and much more for tech start-ups.

Location: London (also in Swansea so listed again under WALES)

Innovation Warehouse

This also made our London office space list, but we thought it was essential to include Innovation Warehouse here again due to the sheer amount of services they provide beyond standard office space. Based in the old fish market in Central London, as well as providing office space, Innovation Warehouse offers access to a sophisticated Angel Network. They also have great event space and have Accelerator Academy, Capital Enterprise and City of London as partners, among others.

Location: London

London Business School Incubator

A total support incubation programme for start-ups run by the London Business School. Members can get access to all the university facilities including office, professional service, research and educational materials. Start-ups are initiated into the incubator in cohorts of ten, and you will also be given mentoring and further expert support to help progress your business.

To be eligible for the London Business School Incubator, you must base yourself in London and be alumni of the university.

Location: London.

Contact details You can reach Jane at jkhedair@london.edu for incubator-related enquiries.

Impact Hub

Impact Hub, particularly in London, is well known for being an excellent space for freelancers and small businesses/tech start-ups. They run tours at 3pm every Tuesday and 2pm every Friday for anyone looking to check it out in Westminster.

Location: London and International

Royal Academy of Engineering's Enterprise Hub

For some background, the Enterprise Hub provides up to £60,000 in equity-free grant funding, as well as a year-long programme of training and mentoring for researchers looking to spin-out a technology business, and recent graduates looking to bring their innovation to market. As the name might suggest, they support engineers to become entrepreneurs, but define 'engineering' in the broadest sense, from AI to civil engineering. They don't provide a formal working space but do have meeting rooms and co-working areas, where their alumni and programme participants can drop in if they need somewhere to work in London.

Location: London

Wider England

Nest

First built in 2016, the Nest is an incubator run by the University of Portsmouth. It's available to current students and students who have graduated in the last five years. The incubator is for very early-stage businesses with many ideas, supporting entrepreneurs from business idea to business creation. The Nest also provides classes on raising investment, running a business and more.

Location: Portsmouth

Tetricus Incubator

Created in 2000, the Tetricus Incubator is an incubation programme run by the Porton Science Park. It focuses on incubating life science companies and has a sophisticated network in place ideal for any new or growing biotech business to utilise in developing further. The incubator can provide both lab and office space and is already home to a high number of biotech businesses.

Location: Wiltshire

Entrepreneurs For The Future

Entrepreneurs For The Future is an incubator that can provide up to six months of support for new entrepreneurs and start-ups in the Birmingham area. Benefits of the start-up incubator programme include access to experienced entrepreneurs in residence, development of robust action plans for development, and one-to-one sessions with experts on how to grow your business.

Location: Birmingham

Advanced Technology Innovation Centre (ATIC)

The Advanced Technology Innovation Centre (ATIC) provides a business incubator programme based at Loughborough University. The programme offers flexible terms for renting space, café facilities, bike storage, electric car charging, meeting rooms and more. It's aimed at new deeptech businesses and those looking to scale.

Location: Loughborough/Croydon

The Hive

The Hive is a well-regarded Midlands business incubator run by the Nottingham Trent University, with an 80% survival rate of businesses up to three years after incubation. The incubator provides a range of solutions and services to start-ups, including workspace, meeting rooms, mentoring and more. The Hive has been one of the premier choices for start-ups and early-stage businesses in the Derbyshire and Nottinghamshire areas since it was founded in 2001.

Location: Nottingham

Evolve Derby

Founded in 2013, Evolve Derby is an incubation programme run by the University of Derby and based in the Derby, Derbyshire, Nottingham and Nottinghamshire areas. The incubator offers a range of services to start-ups including office/workspace, seminars/workshops and mentoring. The University of Derby's business support and incubation service is there to give you the best possible chance of success, helping you access all the support you need to establish and grow your business, wherever you are located.

Location: Derby

MedTech Incubator

Founded in 2010, the MedTech Incubator specialises in incubating businesses developing digital technologies that could be used by the NHS to improve patient care. The incubator is based in Manchester Science Park and can provide medtech businesses with workspace and networking, plus access to state-of-the-art design and manufacturing facilities.

Location: Manchester

Manchester Incubator Building

Founded in 2005, the Manchester Incubator Building is an incubation programme run by the University of Manchester.They tend to focus on incubating start-ups in the life sciences space, providing a range of services, including office space, laboratory space and a variety of other infrastructure useful to deeptech companies, biotech firms, satellite companies carrying out R&D and even pharma companies looking to develop drugs.

Location: Manchester

3M Buckley Innovation Centre (3MBIC)

The 3M Buckley Innovation Centre (3MBIC) is a University of Huddersfield-run business incubator offering support to businesses in the Leeds City area. The incubator boasts fantastic scientific facilities, including laboratory space with all the typical incubator support/amenities. The facility is a purpose-built innovation centre to encourage business growth and collaboration between start-ups/ SMEs and academia.

Location: Huddersfield

Newcastle Bio Incubator

Started by the University of Newcastle in 2016, the Newcastle Bio Incubator is located in the medical school within the university, offering incubator spaces for companies of between two and five people. They’re explicitly looking for early-stage companies with some traction in the life science/health arenas, and can provide laboratory and research space alongside usual office facilities.

Location: Newcastle

Cloud Innovation Centre

The Cloud Innovation Centre is a joint initiative from the Cloud Innovation Centre (CIC), Newcastle University Digital Institute and Newcastle City Council. As an incubator, the centre focuses on providing space and support for digital technology businesses, particularly those developing cloud technologies or technology in big data analytics. They are looking for early-stage start-ups and offer access to experts, networks and technology events alongside office space.

Location: Newcastle

MyIncubator

Wenta, the overall company, runs six incubators across the UK. They hold a range of events, training/educational seminars and much more. If you meet specific requirements, you may get three months free.

Location: Bedford, Luton, Potters Bar, Stevenage, Watford and Ware

Wales

Cardiff Medicentre

Built in 1992, the Cardiff Medicentre is situated in East Wales. This business incubator focuses on providing lab and office facilities for health and wellbeing, life science and biotech companies. Aside from specialist medical services and labs, it offers a range of support in the form of funding advice, networking and access to further expertise. Cardiff and Vale University Health Board runs the incubator and economic development project in partnership with Cardiff University.

Location: Cardiff, South East Wales

ICE Accelerator

Although described as an accelerator, from the more traditional accelerator definition, the ICE Accelerator is more of an incubator programme by Welsh ICE for the support of early-stage technology businesses. They're especially looking for companies that want to base themselves in Wales but trade beyond Welsh/UK borders. ICE is funded by the Business Wales Growth Programme in conjunction with the European Region Development Fund. The incubator is designed to support companies in the immediate area but also other businesses from around Wales. They can provide access to direct funding, mentors and more.

Location: Caerphilly, South East Wales/Glasgow

Institute of Life Science Incubator

Based in Swansea, the Institute of Life Science Incubator is a business incubator with the aim of supporting advances in medical science to improve human health by incubating life science companies. The incubator can provide access to lab spaces, experts and working space, with a competitive package for any business.

Location: Swansea

Centre for Nanohealth Incubator

Founded by Swansea University in 2014, the Centre for Nanohealth Incubator provides a range of services and amenities to life science companies developing the latest nanotechnology. These services include accesstonanotechexperts,legalandaccountancyadvice,labspaceandoffice space. The centre has been designed as a state-of-the-art nanotechnology facility through the award of a £22m government investment.

Location: Swansea

Tech Hub

Tech Hub is a well-known office provider and innovation space across the world, particularly in the UK and Europe. Founded by the editor of Tech Crunch and other co-founders, Tech Hub has become a significant provider of network/events space and much more for tech start-ups.

Location: Swansea (also in London so listed again in LONDON section)

Scotland

European Marine Science Park

Since 2005, the European Marine Science Park has been dedicated to providing service to early-, mid- and late-stage marine science companies. The incubator is based in a remote area of the highlands and offers fantastic access to untouched nature and ocean environments. It is also open to life science, energy and environmental companies.

The incubation programme offers workspaces, lab space, direct funding from the Park, as well as mentorship coupled with legal and financial support. It also enjoys significant links with academia, research institutions and policy makers in governments, beneficial to any company.

Location: Argyll

Seed Haus

Founded in 2017, Seed Haus is located in eastern Scotland, more specifically Edinburgh. The incubator provides a range of facilities and services including mentorship, seminars, investment advice, network access, start-up events, as well as legal and accountancy support through partners.

The Seed Haus team look for start-ups who are solving significant problems and will benefit from their expertise.

Location: Edinburgh

Edinburgh Business School Incubator

Edinburgh Business School (EBS) launched its first Business Incubator in July 2018. Opened by The Duke of York, the Incubator provides a free and safe harbour for early-stage businesses to validate their ideas and identify suitable markets for their products. Companies have access to fully equipped offices, training, workshops and mentors. EBS and Heriot-Watt alumni, as well as businesses new to the university, are eligible to apply to join. The incubator is currently housing a range of firms, from marketing to construction to energy, reflecting EBS's multidisciplinary approach towards entrepreneurship education and business support. Firms at a variety of stages of start-up, from proof of concept through to early trading and in any industry sector, including social and charity-based enterprises, are invited to apply to join the incubator.

Location: Edinburgh.

Contact details: You can contact the business school at enquiries@ebs. hw.ac.uk.

Northern Ireland

Centre for Secure Information Technologies (CSIT)

Founded in 2008, the Centre for Secure Information Technologies (CSIT) is a start-up and business accelerator for new ventures developing solutions and technologies in the cybersecurity space. The incubator is run by Queen's University of Belfast and is available for cybersecurity start-ups and companies in the Northern Ireland area.

They can offer start-ups a range of support, including mentoring, technology/development support, investment training and more.

Location: Belfast

Innovation Factory

The Innovation Factory is based in Northern Ireland and provides flexible office space alongside business incubation services, including mentorship, networking and more. They also have a range of flexible spaces for co-working, shared working and meetings/events alongside virtual address services. The incubator is suitable for all types of SME.

Location: Belfast

START-UP INCUBATORS

The incubators below are entirely focused on supporting businesses who have yet to start up and entrepreneurs who have just begun their businesses. The programmes typically offer some excellent benefits to new businesses, beyond the usual accelerator perks, including reduced-rate or free office space and, in some cases, grants or small direct investment.

London

Bathtub 2 Boardroom

Established in 2010, Bathtub 2 Boardroom is a not-for-profit company that provides an excellent incubator space and support programme for young entrepreneurs just starting out. Given their objective, their membership/office space rental fees are meagre compared to typical incubators or co-working spaces in London.

Alongside affordable office space, they can provide you with meeting rooms, networking events, funding advice and a fantastic community of fellow entrepreneurs to engage with.

Location: London

Health Foundry

Founded by the Guy's and St Thomas' Charity, since 2016 the Health Foundry has been running as an incubator for start-ups in the health and well-being space. They are focused on supporting start-ups that create or apply digital technology in innovative ways to improve the well-being and health of people. They also provide demo days for fundraising, network access and legal/financial training and support. If you are a healthtech start-up, this is one of the more obvious choices regarding an incubator.

Location: London

UCL BaseKX

Created by University College London (UCL) in 2010, UCL BaseKX is a business incubator that supports new start-ups in the Kings Cross area of London. Aside from office space in central London, you can benefit from expert seminars, mentorship, demo days and help from UCL's innovation and enterprise team in turning your idea into a successful business.

Location: London

City Ventures Launch Lab

First launched in 2013, the City Ventures Launch Lab is an incubation programme for graduates and students of City University London. The centre is based in the middle of tech city, London, and the incubator offers members networking events, training and much more.

Location: London

Open Education Challenge

Started in 2014, Open Education Challenge is an incubator for European EdTech start-ups developing and delivering the next generation of education technologies and related tech. The incubator was initially started in collaboration with the European Commission and endeavours to bring together education practitioners and innovative entrepreneurs to develop innovative edtech. The incubator can provide space, edtech network access and much more.

Location: London

Wider England

Sussex Innovation Croydon

Started in 2015, Sussex Innovation Croydon is a business incubator programme run by the University of Sussex alongside the area's local enterprise partner, Coast to Coast Capital. The incubator provides members/start-ups with office space, workspace, network access and investment-readiness training alongside other financing advice. It is a community for entrepreneurs building out early-stage ventures.

Location: Croydon

Portsmouth Technopole

Portsmouth Technopole, established in 2009, is an epicentre for new businesses in the Solent area. The incubator is run by Portsmouth University and is geared towards start-ups developing digital technology projects with specifics in fields including energy and environment. The incubator offers first-rate support to SMEs, including flexible workspace, virtual office services, incubator offices, conference rooms and more.

Location: Portsmouth

Oxford Start-Up Incubator

Established in 2011, the Oxford Start-Up Incubator is managed by Oxford University Innovation. The incubator focuses on providing support to companies before starting out (typically for eight months before incorporation or less) that have come out of Oxford University's eco-system (staff, students and recent graduates). The incubator can also provide investment funding, expertise and introductions to investors for technology and digital startups.

Location: Oxford

Manchester Incubator Building

Founded in 2005, the Manchester Incubator Building is an incubation programme run by the University of Manchester. They tend to focus on incubating start-ups in the life sciences space, providing a range of services including office and laboratory space, and a variety of other infrastructures useful to deeptech companies, biotech firms, satellite companies carrying out R&D, and even pharma companies looking to develop drugs.

Location: Manchester

Genesis

Founded in 2001, Genesis is a business incubation programme run by the Barnsley Business & Innovation Centre and based in the Leeds. Offering a range of services and support to start-ups, the incubator assists entrepreneurs by providing flexible office space, funding advice, access to angel investors and legal/accountancy support through partners. The incubator's focus is on business development, aiming to accelerate companies predominantly regarding sales, customers and overall commercialisation.

Location: Cudworth

The Duke of York Young Entrepreneur Centre

The Duke of York Young Entrepreneur Centre is a start-up incubator operated by the University of Huddersfield. The incubator supports staff, recent graduates and current students of the university in starting and growing their own business in Leeds. You can be starting a company, becoming a freelancer or becoming self-employed in some way to qualify for access to the centre. There is also an enterprise team on hand to help you with every aspect of starting or running a business.

Location: Huddersfield

Scotland

CodeBase

CodeBase is one of the UK's largest start-up incubators and focuses on providing support to more than 100 digital technology companies at any one time. At CodeBase, there is a community of diverse technology entrepreneurs, all in the early stages of their venture. You can get access to experts with an expansive range of skills, as well as serious business and development support.

Location: Edinburgh

Bright Red Triangle

Established in 2004 by the Edinburgh Napier University, Bright Red Triangle is an incubation programme. As a start-up incubator, it offers students and graduates of the university who are starting, or who want to start, their own business, access to desk space, advice, to a like-minded entrepreneurial community and more.

Location: Edinburgh

RGU Incubator

From Robert Gordon University and Accelerate Aberdeen, the RGU Incubator is an incubation programme providing students and graduates of the university with access to workspace, mentorship and advice right through from initial idea, to setting up a company, to running a successful company or business.

Location: Aberdeen

The incubator was initially started in collaboration with the European Commission and endeavours to bring together education practitioners and innovative entrepreneurs to develop innovative edtech. The incubator can provide space, edtech network access and much more.

Which incubator is for your business?

The majority of incubators are open to technology companies, with a smaller number being open to all businesses. Within the majority, there are many incubators for many different types of technology start-ups, either developing specific products in a field or because the start-up is operating in a particular area such as life science, manufacturing or geospatial technology. Typically, the best potential incubators for your business will be the ones dedicated to start-ups in the specific area in which you operate.

What support/benefits can incubators provide?

Most business or start-up incubators offer the same base services as the majority of serviced office or co-working spaces you might consider. These services include meeting rooms, workspace, catering, telephone lines, virtual office services and all the usual amenities.

Where incubators tend to differ is through a focus on education and community, typically providing workshops for entrepreneurs across a range of different areas, finding mentors for young business leaders, offering access to investor networks, setting up pitching, organising community entrepreneurial events and more.

In essence, you are getting a serviced office in a slightly smaller building but with a lot more support from an educational and community point of view, which can be significant in helping you start or grow your company.

Start-up incubators vs business incubators vs tech incubators

There's much confusion usually when it comes to different incubator definitions, and even accelerators. So, to clear up that confusion, here are the definitions we have used to sort this list:

Start-up incubators – for businesses starting, in a very early stage or which have yet to set up. These incubators typically provide free or subsidised space to these companies.

Business incubators – for businesses at any stage from early to mid, these tend to specialise in more specific types of companies. These incubators typically charge commercial rates for membership or renting space.

Tech incubator – a business or start-up incubator purely focused on technology businesses. We do not use this term as most incubators focus on technology businesses.

What do business incubators cost?

Some incubators are entirely free; these are typically grant-funded, government-run or both. The majority will charge you for desk/office space as with any regular office provider. Some will also provide discounts to younger businesses. Watch out for these and do your research.

Action

Consider the accessibility and location of the ideal home for your business relative to its current location and the cost of upheaval.

What are the benefits of staying where you are?

Would changing location offer any opportunity to expand, if that's your aim?

If it's a consideration, could moving positively or negatively affect your visibility as a company?

Look closely at the way your business functions and consider whether it actually needs a location at all or whether you could operate efficiently without somewhere fixed.

Notes:

Week 8 - Improve your environment

This is a very difficult area to get right as perception is a major factor.

Working from a plush environment impresses some and worries others. It certainly varies by industry but also within industries.

Tidiness is universally important, but spending a ton of cash on a marble fountain in the atrium is probably over the top. You can lose customers by appearing overly ostentatious or overly basic.

Fortunately, it's possible nowadays to appear both stylish and economic through an astute choice of design for the work environment.

Action

Spend time thinking about your business's environment and what would be ideal. Could you create more space? Could you utilise any areas more effectively?

With some ideas in mind, ask office refurb companies to come in and plan what's possible.

Even if you can't afford to action the changes now, stick the plans up in the office and use them as an incentive to motivate the team to meet a specific milestone.

Tidy up! Over time, people fill desk drawers and desk tops, filing cabinets, and every other nook and cranny with crap – including virtual crap on your server. Use a quarterly tidy up as an opportunity to take stock, sometimes literally and sometimes metaphorically.

Encourage your staff to personalise their specific workspace to reflect their own characters. I visited the offices of Amazon subsidiary, Zappos in Las Vegas, and they had created a dynamic environment by giving their people a small budget to customise their particular spaces.

Notes:

Week 9 - Improve your software

We're back to Moore's Law again. This is massive! The speed of change means that there are huge efficiency savings available to every industry. The cost of not being abreast of these could mean terminal failure as competitors overhaul you.

Sometimes you will need to bite the bullet and accelerate the rate at which you write down or write off existing packages. Or you might develop software yourself to give your business a competitive edge. This could also represent a whole new area of activity and a new profit centre for you.

Bear in mind the R&D reclaim opportunity of undertaking your own software developments that was discussed previously.

Action

Carry out an in-depth market survey of competitors and the technology they employ.

Is there anything obvious that would help you to seriously improve efficiency? When considering your options, remember:

- The cost of software has plummeted.
- Often it can be bought as a service, so paid for in instalments rather than invested in up front.
- So many tasks have been revolutionised over recent years by the acceleration in the performance of software.
- Even typing may be redundant as voice recognition alters the way that we interact with our machines.
- Virtual meeting software that is essentially free, such as Skype and Zoom, can massively increase efficiency as travel becomes far less necessary.
- Artificial intelligence means that many mechanical tasks no longer need to be done by staff.

- » AI and VR, if used properly, have the potential to revolutionise sales processes and can already be seen in use by professions such as estate agents, thereby reducing the need to visit properties in person.

Spend time with the senior team in the business doing some blue-sky thinking about issues and how technology can be better employed to resolve them.

Measure your efficiency levels now and imagine how they will improve if Moore's Law continues, provided that you stay abreast of what's happening.

Notes:

Week 10 - Improve your hardware

Deteriorating hardware is like being a frog, boiled alive. You simply don't notice how old hardware failures and slowness eats into your time and to the time of your people. One of the things most likely to throw this into sharp relief is downloading new software. Generally, people make do and patch up until the position becomes untenable. However, given that Moore's Law is making hardware much cheaper and quicker every year, but not people, you really need to be writing off and replacing hardware before you notice how it is negatively impacting your productivity.

When you consider that the opportunity cost of an hour of your time is probably way in excess of £100 and you may spend at least an hour a week waiting on or rebooting your computer (which would probably cost no more than £1,000 to replace), you can start to appreciate the economic argument.

You will probably be able to lease this kit over a three-year period if cash flow is an issue and get your payback in the first 12 weeks.

Action

Think about the efficiency of the equipment you use. Has there been noticeable drop-off in performance?

Nowadays, so many entrepreneurs run their businesses from laptops and mobile phones because of their adaptability and flexibility. We are, all of us, totally reliant on these devices. Understanding that we need to stay ahead of the game and always up-to-date with the latest developments as our demands get greater is vital. So review your current technology. Is anything stopping you from upgrading? If it's a question of finance, spend some time looking into how your business's overall efficiency could be increased with time-saving and better equipment.

It's a good idea to ask your IT supplier to run speed and capacity tests across the network and, where necessary, augment and replace kit.

Double check the business's contingency against a computer meltdown through backups and off-siting. (This is less necessary now that we routinely use the cloud but you'd be surprised what we find with our clients.)

Notes:

Week 11 - Cut your main input costs

This is a big one and pretty key to your business's viability. However, sometimes it's difficult to achieve since there are vested interests in a business retaining the status quo. Regrettably, though, the status quo is illusory and, in reality, businesses are rarely stable but are either contracting or expanding.

Every process, service and product should be regularly put out to tender and the status quo should be tested. Suppliers must be kept under pressure constantly, otherwise they will gradually alter deals in their favour, either through increasing prices or decreasing quality or service. Sometimes it can be a good idea to work together with suppliers or competitors towards a mutually strategic goal, so that there is an additional benefit to you and you can gain greater knowledge or control of the market place.

This can at times lead to consolidation in the market, which can be highly beneficial, by removing costs and increasing volume and profitability.

An external advisor can be very helpful in this area to really challenge the business.

Action

Train staff to negotiate. Their expertise in this area is vital for the economic running of your enterprise.

What are your business's ten largest areas of expenditure? Make a list and analyse these costs. If possible, ask the supplier to break down their costing so that you can properly understand how they arrive at it.

Look at alternative suppliers and processes. Have you considered AI or going overseas? Could you form any strategic alliances with suppliers, customers or competitors?

Try to understand the motivation and costs of your supplier with a view to creating a mutually advantageous arrangement that will drive costs down.

Notes:

Week 12 - Cut your ancillary costs

Whilst the absolute size of ancillary and peripheral costs to the business is likely to be much less than the main input costs, the proportional efficiency to be gained is much larger since the business has far less visibility and control over areas such as foreign exchange, utilities, transport and insurance etc. In aggregate, however, these costs could be at least as much as the main input costs, so again need to be put out for tender on an ongoing basis.

Often suppliers are very switched on to the fact that there is far less price elasticity with ancillary products and services, and will ensure that they earn much larger margins in these areas.

Action

How could you efficiently monitor your ancillary costs?

Why not consider seconding someone, such as a virtual assistant with appropriate expertise, to the business? They could be tasked with carrying out ongoing price comparisons together with invoice analysis to make sure that the business is always paying the best price and buying in the most economical way.

This is definitely an area where calling in a specialist such as Funding Nav can be a distinct advantage. We are constantly combing the market looking at costs and then buying in volume by consolidating a lot of our clients into volume contracts.

Don’t underestimate the savings you could make if you tackle and keep on top of this issue. These costs may be termed ‘ancillary’, but the value of scrutinising them on a regular basis could be significant to your business.

Notes:

Week 13 - Stimulate demand

First, do you know your two key marketing numbers?

- » Average cost of customer acquisition.
- » Average lifetime customer value.

It's only when you know these numbers that you can accurately plan an effective marketing campaign. Measuring everything as much as possible is vital, since most businesses need to recruit profitably and different strategies will throw different numbers. For example, different acquisition strategies can buy different levels of loyalty and therefore lifetime value.

Secondly, get more out of your existing customers by taking an 80/20 view of your customer base, because it's highly likely that 80% of your profit is coming from your top 20% of customers. Ensure that you concentrate 80% of your resources into customer retention on that top 20%.

Action

Calculate your average customer acquisition cost and average lifetime customer value, and sense-check all customer acquisition activity against these numbers.

Use the Equation Of Business tool on the Funding Nav website as a reference.

Do some research into incentives on offer by individual companies to increase demand within your industry. What could you offer to your loyal customers?

Analyse which are your top 20% of customers and visit them yourself to find out what more you could be doing to build their loyalty and levels of business.

Notes:

Week 14 - Increase prices

This is massive! One of the most common misconceptions in business relates to a lack of elasticity of pricing amongst customers. Most businesses live in fear of losing customers to cheaper competitors. However, price is just one of the parameters guiding your customers' decision-making process.

If your net margin now is 10% and you increase your prices by 10% then, if all things remain as they are, your net profit will double. So you could afford to lose a substantial amount of business before you are worse off – probably in the region of 30%. If possible, trial new pricing selectively and disguise increases by packaging up products and services so that you increase customer benefits at the same time. This will make any price rises less obvious.

Generally, margins corrode over time as various hits to costs are absorbed and not properly reflected in the selling price. Work hard to counter this by raising prices ahead of the curve.

In the unlikely event that there is a threatened mass loss of customers, then it would be best to regroup, get out of the commoditised area you are in by aiming at niches, and try again.

Use dynamic pricing such as almost all fixed supply/variable demand businesses already do, for example airlines and hotels. Don't just use this technique seasonally but also on a daily basis if appropriate, much as bars do with happy hour.

We had a client who rented camper vans whose big claim was that he offered consistent pricing all year round. He told me that this was disruptive to the market. When I first visited him on a freezing March morning, I counted the camper vans in his parking area and, through a process of elimination, calculated that he had rented none that day. When I checked his records, that was pretty much the story throughout the previous winter. He was, however, pretty booked up for the summer and booked for years for the Glastonbury weekend. I pointed out to him that his pricing was like a broken clock that is dead right twice a day, but wrong all the rest of the time. We discussed increasing his prices in the high season and reducing them in the low season.

As it happens, he didn't take the advice as he was so wedded to his flat pricing concept, so we parted ways. Pricing is a very emotive subject, as I've said, and sometimes entrepreneurs are loathe to mess with it, even when it's obviously broken.

Action

Have a good look at your pricing. Can you see where increases can and should be made?

When you do increase your prices, do so intelligently so that you can begin to feel the point at which demand starts to drop off.

Use the Equation Of Business tool on the Funding Nav website as a reference.

Experiment with dynamic pricing to keep your capacity as close to 100% at all times.

Offer good, better, best options to give your customers the choice to trade up if they wish.

Make sure to monitor sales following a price hike, in particular among your top 20% of customers.

Notes:

Week 15 - Cut finance costs

I know we've already covered funding in section 2 quite exhaustively, but I just want to touch on it again, because sometimes the costs can creep up on you and it's worth reviewing on an ongoing basis and keeping in check.

Ultimately, successful and sustainable businesses are funded by the profits and cash flow generated by their trading activities.

Additional funding is often required at various stages of a business's development, but you should be wary of becoming overly reliant on it.

Often a cut in funding will occur naturally as a bonus if you adopt some of the other strategies discussed, such as increasing prices to push up margin and profits. This may have a positive impact on revenue that will most likely reduce any funding required.

Cutting inventory and costs will also cut funding.

External funding is a dead weight of cost and risk. It is positive in that it magnifies growth but if things get tough then it can leverage that too and create a lack of focus on the business fundamentals.

What you should always bear in mind is that external funding brings external responsibility and will lessen your control and increase the workload of reporting.

There are basically two different routes:

» Debt.
» Equity.

Debt is cheaper unless the business fails. In this case it may well need to be repaid preferentially and not die with the company, since it's common for directors to be asked to guarantee.

Equity is cheaper if the company fails but can be massively expensive if it succeeds. Remember the guy that painted a wall for Facebook back in the day? He accepted shares in lieu of payment and wound up a millionaire as a result.

Of course, there are so many variants and hybrids to consider that it's worth spending time looking very closely at this whole area, and certainly not accepting the first deal you're presented with.

Action

Consider every option to cut exposure to external funding. How else can you drive your business forward in monetary terms? Make a list of your thoughts and ideas and keep it somewhere where you will see it on a regular basis. Then it can serve as a prompt to motivate you to keep on top of this aspect of your enterprise.

Re-read section 2 of this book regularly as a basic reference and spend some time exhaustively going through the grant section. Check online, too, to keep up-to-date with funding changes.

Renegotiate funding deals to bring down costs or increase flexibility.

Look into getting paid more quickly whilst at the same time paying suppliers more slowly.

Notes:

Week 16 - Cut taxes

No one likes paying taxes!

However, unfortunately there isn't much option, although this is definitely an area where it might be worth investing in some good advice.

It's every business leader's duty to pay the minimum amount of tax that is legally permissible. Good examples of businesses that do this very obviously are Amazon and Starbucks, which have used transfer pricing strategies to shift profits to low tax jurisdictions and enterprises. I know it isn't fashionable to say this as it's an affront to public sentiment but, honestly, any CFO who doesn't try their best to legally mitigate their company's exposure to taxes is not doing their job properly. If government don't like it then they should change the rules.

There are also numerous tax breaks available to companies, such as capital allowances for investment in infrastructure, and research and development (R&D) tax credits for risky investment in novel ideas, which have been covered in section 2.

Tax breaks are available, too, to shareholders, such as the Seed Enterprise Investment Scheme and the Enterprise Investment Scheme, both of which make investing in SME businesses less risky and more attractive, again as already covered.

Nowadays, there is little difference between shareholding directors receiving their income by way of salary or dividends, in which case I personally would choose salary because it may be partly reclaimable with R&D and, if it all goes wrong, you can't be asked to repay it.

The other fabulous tax break that the UK HMRC offers is Entrepreneurs' Relief. This relief offers shareholding directors that meet certain conditions a discounted rate of 10% on capital gains made as a result of a company sale, with a lifetime maximum value of a million pounds for each shareholder.

Action

Talk to your peers to see who can recommend a good advisor.

Talk to several advisors and see who makes most sense.

As with legal advice, regretfully you get what you pay for here which means the best advice that will save you the most in the long term probably won't be cheap in the first instance.

Notes:

Conclusion

Business is a wonderful thing. Your business can be a wonderful thing, however you may feel about it right now.

It doesn't really matter what was in the past as you can't change that, but what you can do is re-imagine your business today, go and get your vision funded and deliver your company and yourself a better and more prosperous future. If you get it right, it will support you, make you wealthy and keep you gainfully employed in a role that you love, which means that you'll hardly notice the effort. However, get it wrong and you could literally make yourself ill and lie awake every night.

The difference between these disparate outcomes is vast and only you can bridge that gap.

Stay honest with yourself above all else and remember that the roles of owner and CEO are not necessarily synonymous.

Just because you own the business, that doesn't automatically mean you are the best person to run it on a day-to-day basis.

You could become chairperson as well as continuing to add value in the role you excel in, and delegate the day-to-day managing director's role to someone else.

Beware the myth of social media. Facebook likes or favourited tweets are not deliverable results in themselves, regardless of what any agency tells you. What is important is your ability to leverage that sentiment into cash.

Always look for value and question everything with a childish naivety. Just because we always did it that way or always bought from a specific vendor, that's not necessarily a reason to continue.

Slash inventory wherever possible as stock can be the silent killer that overtakes your business. More stock equals more finance, less stock turn, higher storage charges and write downs, and will keep your prices lower than they should be. Keep the market keen!

Success is all about behaviour and use of time, so break the rules. Don't be afraid of a messy kitchen; fail quickly and be immune to fear, criticism and worry. Industry rules and norms are bullshit so don't follow them – disrupt them.

Finally, it's impossible to get rich on income alone, so you need to be building equity from an early stage. Nowadays, that generally means developing your own intellectual property in whatever form is relevant to your industry.

There is lots of additional information, including constant updates and worksheets, available to you as a reader of this book at www.fundingnav. com. You should use this as an ongoing and dynamic resource, so hop over to the website as often as you like. I or a member of my team can be reached at stephen.sacks@fundingnav.com if you have any specific questions.

Just remember, action gets results – doing nothing or staying the same will only fetch you the same, or probably even less, than you are getting today. If you really want to re-imagine your business, get it funded and grow it, I can't stress enough the importance of completing all the action points in this book, as well as making full use of the online resources and of our team here at Funding Nav.

Good luck.

Stephen

Sacks.

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Page 112 – Grants section has been sourced from https:// entrepreneurhandbook.co.uk/grants-loans/ and was accurate at the time of print.

Page 205 – Chapter 13, 'Franchising', was co-written with Paul Mitchell of Accentia Franchise Consulting.

Page 229 – Business Incubators information has been sourced from https://entrepreneurhandbook. co.uk/incubation-centres/

About Me

I have literally had a lifetime of experience in business (or at least 35 years) and I've always worked for myself. This is largely because I was a total failure at school, leaving with a clutch of O-levels and a grade 1 CSE in technical drawing. To the total consternation of my exasperated parents, I managed to completely waste ten years of perfectly adequate state education in daydreaming, mucking around and generally playing the fool. (Ironically, one of my daughters, Juliette, is a secondary school teacher now.) Unsurprisingly, I never attended university, but I did attend Cranfield Business School in 2007 and completed their SME Business Growth Programme, which was of great benefit.

For many years I was in the fashion business where I came across such (faded) luminaries as Sir Philip Green, who taught me a thing or two about negotiating. I built a worldwide leather clothing brand called Muubaa, which is now run by my daughter, Georgia. During the years when I was growing Muubaa, I travelled extensively, clocking up two foreign trips per week in one year as I built distribution in 30 different countries across the world whilst managing production in South Asia and the Far East.

I also created and sold a furnishings and linen business and was heavily involved in my own logistics business, where we handled distribution for a number of other wholesale businesses. At the end of 2016, I exited my last business and decided that I would like to market my experience rather than jump straight back into the frying pan again myself. So I founded Funding Nav as an advisory and broking boutique aimed at helping entrepreneurs create more cash for themselves and for their businesses, because it's something I wish I'd had access too when I was building trading businesses.

Since then, I've been involved with numerous different businesses and have managed to add value in every case.

Sectors include food and beverage, leisure and hospitality, fashion, marketing, telecoms, tech and medicine.

I've noticed commonality across all sectors, which is generally down to the fact that, in SME businesses, the leader is expected to be a jack of all trades. This is, of course, an impossibility. Also, the business becomes almost an extension of the owner to the extent that business issues quickly manifest themselves physically.

I have read and listened to a lot of business books in my time and I've found that most of them contain very few new ideas, lack any kind of humour whatsoever, and are often highly repetitive as they struggle to fill the pages with sufficient words to justify the cover price. So I've tried hard to make this one snappy, readable, to the point and actionable, and have used off-the-wall examples to prove my points.

Given that I'm married to the very patient Harriet, with whom I have four daughters all still at home at the time of writing, Georgia, Juliette, Milly and Josie, I have huge motivation to both get out of the house every morning (or at least into my mancave) and to earn a decent living. It ain't cheap and it ain't peaceful living with five women, I can tell you!

I welcome your feedback to stephen.sacks@fundingnav.com.

Acknowledgements

I would like to thank my wife, Harriet for dragging me away to the dullest place on earth for Christmas 2017 that also had terrible internet connectivity. No question that this provided me with the ideal environment to unload 35 years of commercial experience onto the written page over a couple of weeks.

I would also like to thank her for her often brutal honesty which I frankly should have sometimes listened to more attentively.

Having worked side by side with my dad for 30 years, he undoubtedly inspired me massively and it is ironic that I only took up writing after he died, as he would certainly have had a point of view that I would love to have heard.

Mr Janes was the teacher who made the biggest impact on me at school and perhaps was responsible for shaping my later career in finance.

I would also like to thank everyone I have engaged with commercially throughout my career, as I gained more knowledge and experience from every interaction. And I would like to apologise to all those I've upset on the way. I was fortunate to have a trading relationship with Sir Philip Green back in the day and he was undeniably an inspiration despite his more recent fall from grace.

Finally, thank you to Alexa at Compass-Publishing, whose wise words on writing are always gratefully received.