

Client: Hamilton Bradshaw
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Ask James...

Contact the former Dragons' Den star now with your business problems for tips on how to thrive and survive

TODAY WE LAUNCH OUR BRILLIANT NEW ADVICE COLUMN FOR LONDON ENTREPRENEURS

James
Caan



THE UK is one of the most important trading centres in the world and London plays a crucial role as the hub of a fantastic range of businesses. Not only do we boast a vibrant capital which is home to some of the most innovative minds and ideas but, as a microcosm, London's ability to innovate and differentiate sets it apart from other cities. It's what makes it one of the most desirable places to develop a business.

The Prime Minister David Cameron has recently warned of a year ahead which will be "tougher than the first two" under Margaret Thatcher in the early Eighties. But despite all the doom and gloom, the rate at which businesses are starting up is strong right now, with a 30% increase in the number of businesses since 2000.

However, our ability to scale up existing businesses still poses a big problem. There are 4.5 million small and medium-sized enterprises employing more than 13 million people in the UK. Yet although small businesses create the majority of new jobs in the UK, 75% are still one-man bands. Just think of the potential boost to Britain's employment levels if they started to expand.

So with another tough trading year ahead, and new challenges emerging for small businesses, what and where are the opportunities for growth?

I am particularly passionate about the technology sector; it's so encouraging to hear that businesses are continuing

to embrace new technologies with the potential to deliver financial growth. Silicon Roundabout – or Tech City, as the Government recently rebranded it, is a fantastic initiative that has seen

more than 600 technology businesses set up in East London (compared with 200 in 2008). While the rest of the economy flatlines, this hi-tech cluster around Old Street is booming, with new companies arriving nearly every week.

The area is home to an impressive range of technology, digital and creative companies who have helped to reinvigorate the capital, providing us with access to so much potential, innovation and world-class expertise.

We've already seen how social media

'It's so encouraging to hear that businesses are continuing to embrace new technologies'

have changed the way we communicate with our customers. And cloud computing is the buzzword which is revolutionising the way we do business. Thanks to the cloud, start-ups are spared the expense of building and hosting their own information technology. Small businesses are able to operate on an equal playing field with multinationals. As a result the concentration of all this activity is opening up huge job-creation opportunities. One of my recruitment companies, Gemini Search, is seeing digital positions coming onto the market that simply didn't exist two years ago – in fact this month they have more jobs available than they have candidates. The question is how

to keep the momentum going.

Well, I believe that right now, high-profile entrepreneurs can play an important part in championing the needs of our small-business community, and provide it with the tools it needs to sustain and thrive in this difficult climate. And importantly, encourage the firms to celebrate their successes.

Business owners need tangible advice – no matter what the size of their busi-

ness. As well as raising awareness of the incredible technology available to increase cost efficiencies, we also need to help business owners to go back to basics. The majority of would-be entrepreneurs I meet need advice on raising finance and the options available, or negotiating with suppliers on how to reduce cost.

It always surprises me when people automatically associate cost reduction with redundancy – that's not necessarily the case.

Cashflow is vital to a company, and businesses just need to learn how to look at every line of their company to operate more cost-effectively.

Successful entrepreneurs share very similar traits – they are usually passionate, determined, very hands on, innovative thinkers, and most of all

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risks-takers. These are some of the characteristics that are needed to reinvigorate growth. We need to share our knowledge.

We know the key to a successful busi-



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ness is measured strategy and timing. But it's the decisions we make when faced with those challenges that ultimately distance us from others and help us to thrive.

So in order to lead from the front, London business owners must continue to work collaboratively, and be better prepared for tough times ahead. Having now invested in over 30 companies, through my portfolio I know all too well what is happening on the front-line and the challenges they are tackling every day.

I am very keen to share my insights with other entrepreneurs to help others prosper and, most importantly, to help boost our economy.

As a result I am absolutely delighted to have been given the opportunity to write a column here every Monday, to help small businesses on a whole range of issues including recruitment, marketing, raising finance, cashflow, leadership, managing growth, or planning for exit. So if you have any burning issues that you would like advice on please write to me at askjames@standard.co.uk and you could be featured next week.

■ *James Caan's new book Start Your Business in 7 Days is published in March. His app James Caan Business Secrets has had more than 100,000 downloads*