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HAMILTON BRADSHAW
Investing in people with passion

Let's get started, Caan urges entrepreneurs

Benjamin Russell

"NOW is the time to throw everything we have at getting ahead of our global competitors, to get more people to take the leap of faith, so we can seriously stimulate and drive our economy forward in the coming years."

So said former Dragons' Den star and recruitment entrepreneur **James Caan** last night at the latest successful Business Connections event, held at Westminster's Emmanuel Centre.

"In Britain today, we start more businesses than anyone else in Europe. Only last year, we started nearly half a million new businesses," Caan added. "Imagine – if every one of those companies employed just one person, we would be creating 500,000 jobs."

Caan told more than 500 London entrepreneurs to go "back to basics" and adopt a cash, rather than an accrual, approach to accounting.

He explained: "If you are going to run a business, my absolute advice is go back to basics and do it on a cash basis. Account for cash that you collect, not invoices you send out."

"The problem is we accrue for everything – we accrue a phone bill, we accrue for wages, we accrue expendi-

ture but also, when we are sending out invoices, we are almost accruing sales, so the entire set of accounts to me is fantasy land and that is where businesses go wrong."

Caan said that he has used the system throughout his career: "When I sold [recruitment business] Alexander Mann, we were turning over £460 million a year; same principle – money came in, money went out and the bit in the middle was profit."

The recruitment magnate also said that it is not just financial investment that businesses need, and encouraged those with time

and experience to share their knowledge with others.

He said: "Mentorships are something that I absolutely believe in. There are people out there who want to build a business and sometimes it's not just about capital."

"I think the one lesson I learned in Dragons' Den was that when people were coming in, they weren't necessarily there because of capital, they wanted some experience."

■ *Business Connections is the Evening Standard's club for small London firms, which offers advice, experiences and regular networking events. For more details and to join visit es-bc.co.uk.*

Business Connections



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Top tips: former Dragon James Caan at last night's Business Connections event