

PRESS RELEASE

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The unfortunate closure of 90 year old high-street retailer HMV paves the way for newer, more adaptable entrepreneurial businesses in the UK

In these challenging times, with High Street icons like HMV closing, the country needs new and fresh business ideas. With HMV's closure cited as a result of its inability to respond to technological advances in the music industry, young entrepreneurs could be the ones filling the gap left behind by the music giant.

James Caan, widely known for his role in Dragons' Den, is the Chairman of Start-Up Loans. Mr Caan said:

"While I do feel for the 4,500 staff at HMV, I am sure this situation has come as no surprise. The disappearance of a record shop on every high street and the phenomenal growth in online sales means the HMV business model simply couldn't survive. A business has to be fast and flexible in meeting its customers' needs, including how the customer chooses to interact with you."

"A great example of a traditional company that has adapted to the times is Auto-trader, the car sales magazine that has moved online and has still retained its No.1 position in the market, demonstrating its ability to meet its customers' demand for online search."

"Businesses have to adapt to survive and have sustainable models that reflect current consumer demands. Britain needs to support entrepreneurs who can deliver innovative and new ways of working that address changing consumer demands. Start-Up Loans is one example of an initiative designed to encourage and support enterprise across the England."

The country's positive sentiment towards a more enterprising economy was evident in a recent nationwide poll around the Government's Start-Up Loans initiative which is aimed at stimulating enterprise amongst young people across England.

The Guardian poll, which asked 'Will the changes made to the government's Start Up loan scheme create a more entrepreneurial culture in the UK?' was met with 85% agreement that the changes would help businesses start and grow.

The changes referred to in the poll include an increase in the age of those eligible for support from 18-24 to those up to and including 30 years of age. This also led to an

additional £30million funding, announced by the Prime Minister earlier this year, increasing the amount of money available to be lent for new businesses.

The Prime Minister said at the time:

“It is by backing our entrepreneurs and championing small business that we can drive forward and grow the economy, and equip this country for the highly competitive era we are in.”

“Start-Up Loans are a great way to help this next generation of entrepreneurs get the financial help - and the confidence - to turn that spark of an idea, into a growing, thriving business.”

ENDS

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Notes to Editor...

1. Guardian on line poll <http://www.guardian.co.uk/small-business-network/poll/2013/jan/09/poll-startup-loan-scheme>

Will the changes made to the government's StartUp loan scheme create a more entrepreneurial culture in the UK?

85% Yes, this is exactly what we need to inspire young people to enter the world of business.

15% No, there are other important factors that would make more of a difference.

2. To learn more about Start-Up Loans or to register to apply for a loan visit: www.startuploans.co.uk
3. Start-Up Loans is a Government supported Business Innovations and Skills initiative, delivered through the Chairmanship of former Dragons Den star James Caan
 - a. It is our ambition to start and fund over 20,000 businesses, in England, owned by young entrepreneurs.

- b. Anyone who has the idea, drive and ambition to start a business has both the chance and support do to so.
- c. We will make enterprise and entrepreneurship a first choice career as it was for James Caan. To ensure success, each young entrepreneur gets the whole support package: a low interest loan, an experienced and free mentor plus quality resources.

4. Start-Up Loans

- Through this programme, we will inspire and empower young people to realise their true ambitions and take their future into their own hands by working for themselves.
- Start-Up Loans drives this business start-up initiative at a national level and works with carefully selected regional partners who deliver expertise, advice, training and support at a local level.
- Start-Up Loans reduces the impact of the three most common barriers to business success, this means a business may maintain momentum and grow.

Money

Every business needs money to buy, produce and sell its products or services. The time between expenditure and income can be especially difficult for start-ups. At 3% over RPI, and a 5 year payback with capital repayment holidays, we provide the cash injection to start a business at better rates and terms than anyone else.

Knowledge

Each entrepreneur is assigned a mentor to guide them on the priorities and decisions of their business. Our mentors know from their own direct experience what makes a successful business, and they ensure this new business has the best possible pathway with no nasty surprises.

Resources

Timely access to additional inexpensive resources is a boost to any business; more so when starting out. We have identified these core resources and built a solid and broad base of partners who provide quality branded services at generously reduced rates or, in some cases, for free.