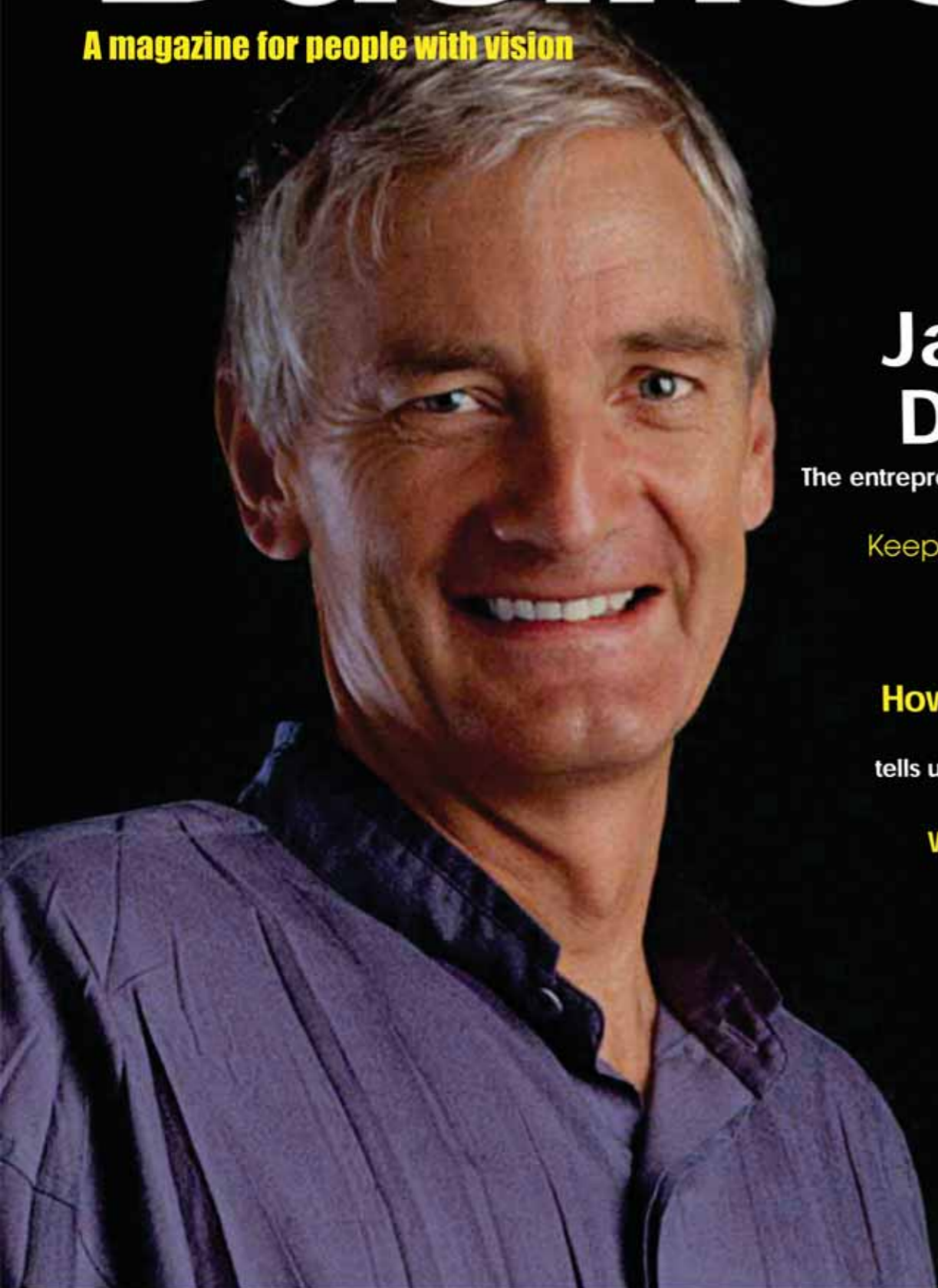


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# When to launch your start-up

## How important are luck and timing when you set up in business?

WHAT part does timing play in making a business a success? If you start your business this year rather than next, or the year after that, how much will that affect its success? And is there anything you can do to make sure you get it right first time?

Keith Hunt at Results International, a business adviser, said timing could have a very big impact. He said the first factor to consider was the potential market opportunity.

"Markets can blow hot and cold. For example, at the moment things like green issues and online stuff are really hot, so if I had a business that was handling one of those, I would be desperate to try and get into it as quickly as possible before the market moved away from me."

The second factor is cash – whether you have enough of it. He said: "The way to assess that is to do a proper financial plan and then add at least another 50% to that – and probably 100%. Because the one thing about starting up a business is that things always take longer than you expect."

"Work out how you are going to find the money because you could have a great idea and be 75% down the track, but if

you run out of cash you have just lost everything if you haven't managed to bring it to fruition."

The third key factor, said Hunt, was knowledge. The best time to start a business is when you know everything about the area in which you are going to operate. He said: "My strong advice is to stick to what you know. And if you don't know it, make sure you learn the trade first at someone else's expense."

The final factor is getting the right people to help you. He said: "The timing is right when you have good people you can do it with. You will have far more chance of success if you have one or two partners who you know, trust and like, and can work with to share the burden."

Claire Brynteson got her timing spot-on when she founded Buy Time, a lifestyle management service for businesses and individuals (buy-time.co.uk).

A former high-flyer at Goldman Sachs, the investment bank, she launched the business, which provides customers with a personal assistant on an hourly basis to do everything from organising a parking permit to getting broadband connected, after realising that a growing number of people did not have time to do simple everyday

tasks and were prepared to pay someone else to do them.

She said: "It was blindingly obvious to me that the timing was right to do this because I could see that people round me were suffering from a lack of time and really needed this service. With women increasingly working the same hours as men, there was nobody at home to take care of anything."

Even more important than the lack of time, she said, was that people were increasingly prepared to pay for outside help. She said: "A few years previously, people would have just laughed at the idea and thought how ridiculous it was to have a personal assistant for your personal life. The key was putting the service in front of people at a time when they absolutely needed it." She now has 300 clients and 12 staff working for her.

Doug Richard, a former star of BBC TV's *Dragons' Den* and chairman of Library House, which provides research and information on privately held fast-growth companies, reckons that "timing is everything".

If your business idea is too early, you don't really need to worry, he said, because launching a product or service typically

takes so much longer than you think that by the time it actually gets to market it may not be too early after all.

If your idea is too late, however, you will be in big trouble because there will be little or no demand. Richard said: "There is only one thing to worry about, and that is being too late."

"And this is where you have to be really honest with yourself. If you go into an opportunity and you find you are the 10th person in, you should really ask yourself, what is it about me that is so special? Because you can't just be only a bit better than someone else who is doing something similar, you have to be remarkably better to make it different."

However, he warns against becoming too obsessed with trying to get the timing right. "It's impossible to hit the market right because you can't know it is right at any given moment," he said. "Therefore, to preoccupy yourself with the notion that there is a perfect time to start a business is a waste of time."

Mark Riminton, a director at Shirlaws, the business coaches, said it was important to look at how right the timing was in your own life before starting up a business – particularly if you were starting up partly for personal reasons, such as wanting to be your own boss.

He said: "If your reasons for starting up a business are more cultural than commercial, then

the timing of when you do it is actually more to do with your own feelings and your confidence than it is about the commercial possibilities for your idea.

"Starting up a business requires a huge amount of commitment and it has a huge effect on people's lives, so the most important thing is that you actually want to do it. You can have the best idea in the world and the best commercial opportunity but, if you don't have the will and the commitment to follow it through, it's not going to go anywhere."

He added: "You must have the support of the people around you. And that support must be really strong because things will get far more difficult than you expect."

Richard puts it slightly differently: "Ask yourself who depends on you and whether they can afford for you to fail. If you are going to do something it depends less on your desires and more on the support of the people who depend on you – because they are buying into your vision as well."

And as to when you should quit your job, Richard said: "There is much you can do to plan and think before giving up your job – that is why we have evenings and weekends. But at some point you are going to have to leap. Wait until you know everything that has to be done – then take a deep breath and jump."

## There's got to be money in eBay

Whatever you sell, you ought to be listing your products on eBay. The world's largest marketplace is the best way to shift old stock, target new customers and test demand for new lines.

"I used to think eBay was for techies and time wasters," says Richard Weston, owner of Photo Finish, a Letchworth-based camera specialist.

Then, in 2000, one of his colleagues suggested he use the website to flog the items in the shop's bargain bucket.

"It was full of second-hand junk," he recalls. "It was cluttering up the doorway and I wanted rid of it."

So he listed the items on eBay – and made a killing: "We made five times as much online as we would have made in-store."

Weston was hooked. eBay now accounts for 40 per cent of Photo Finish's turnover and has attracted over 2,000 repeat sales from happy online customers. "Now we badger our suppliers for damaged stock and older, more unusual products, as these tend to sell well on eBay and carry a higher profit margin," says Weston.

"We buy in much larger quantities, which means we can negotiate better prices. eBay has given us the purchasing power of a big retailer."

He's not the only one using the site to boost business. A whopping 68,000 entrepreneurs and small businesses in the UK generate at least a quarter of their income from eBay. That's higher than any other country in Europe (see box). Many retailers, like Weston, use the site to sell off end-of-line items or old stock, which they can't sell at full price. Local firms use it to gain customers from across the country and, in many cases, across the world. "eBay means we can reach customers that haven't got the time to visit our pro shop or live too far away," agrees Bill Woodman, who owns Discount Golf Store in Addiscombe and sells up to 250 items on eBay each month.

Third parties are cashing in on this business trend, too. Take e-jumble.co.uk. Set up last year by Jeremy Isaacs (pictured) and husband and wife team Andrea and Paul Hackney, the Stockport-based company is already turning over more than £1m by helping companies sell their wares on eBay.

"We try to earn sellers the best possible price for their products," explains Isaacs. "We'll do everything from picking up the goods and taking professional photographs to answering questions from potential buyers and collecting payment." The catch? E-jumble takes a 25 per cent cut of the final selling price. "People assume they can save themselves those fees by listing products themselves," says Isaacs. "But all too often they end up underselling the product or attracting negative feedback because they've written an inaccurate description."

The company, which now lists around 1,000 items on eBay each week for its customers, has also started working with bailiffs, liquidators and companies wishing to sell off their assets without incurring the hefty cost of administrators.