



Here's how I **run** my business

Case studies from businesslink.gov.uk

If you've ever wished you could tap into what other businesses already know, this book is for you. It brings together 21 of the best case studies on the Business Link website. Each one features a real business owner or manager, speaking in their own words, about how they make a success of everyday challenges and strategic decisions.

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WE WANTED TO RETAIN A MAJORITY SHAREHOLDING AND KEEP CONTROL OF DECISION-MAKING

Mark Travis



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Here's how I used an accountant to help me in my business

Jenny Fitzpatrick set up her specialist food retailing business and coffee shop, **The Fine Food Store**, in Stamford, Lincolnshire straight from leaving higher education. From the start, she maximised the use of accountancy services as part of the business model.

What I did

Plan accounting needs

"My business plan always included putting sound systems in place as the foundation for growth. That included managing the books. Although I had a business management science degree and knew the basics of accounting, I also knew that it wasn't my strength. My business is open six days a week and I wanted to devote the time not spent in the shop to product development and marketing.

"Remembering advice from a senior lecturer, I decided to look for a bookkeeper and an auditor. It's good business practice to have your books audited separately, and I wanted to start as I meant to go on."

Choose reputable practitioners

"When I was looking for an auditor, I got several

recommendations from business associates. I got the auditors to look over my business plan, before I'd taken it to the bank, which was as a useful 'trial' of their services. In the end I chose a reputable local firm with experience of dealing with small companies. I was impressed by the way they had read the business plan in detail and understood what I was trying to achieve.

"My bookkeeper was also recommended to me and I signed her up from day one to handle invoicing, management accounts, VAT returns, PAYE for my five employees and National Insurance contributions.

"My bookkeeper and auditor are both established local businesses themselves. It was important to me to work with people who knew the local market in which I was operating."

JENNY'S TOP TIPS

- "Decide which accountancy services are appropriate for your business before you start."
- "Choose qualified accountants with a good reputation and satisfy yourself that they understand your business."
- "Develop a good working relationship based on trust, but keep hold of the reins."

Build and manage the relationship

"Trust is the key to any business relationship, doubly so with accountancy services because you're handing over all the financial details of your business. I have a high level of trust in both my advisers, based on their reputation and my experience of working with them to date.



“MY BOOKKEEPER AND AUDITOR ARE BOTH ESTABLISHED LOCAL BUSINESSES. IT WAS IMPORTANT TO ME TO WORK WITH PEOPLE WHO KNEW THE LOCAL MARKET IN WHICH I WAS OPERATING.”

“From the beginning I knew I wanted monthly management accounts, rather than just quarterly, so that I could keep close tabs on capital expenditure and cashflow. My bookkeeper works closely with me to produce the accounts, but I’m still in control. I analyse the cashflow on a daily basis so I know exactly where the business stands, but she does the work of entering up and checking all the figures. She also presents the figures on interactive spreadsheets to an agreed format, so that I have instant access to the

financial information I need. There’s no way I would have the time to go into the kind of detail she provides.

“The relationship with my auditors is also very productive. They respond quickly to queries and I use them as ad hoc advisers on things like taxation and VAT. The fact that my advisers have an excellent reputation is very useful in dealing with VAT officials. I’ve found they’re less likely to make life difficult if they know your advisers are trustworthy.”



Find out more:

Choose and manage an accountant

businesslink.gov.uk/chooseaccountant

Here's how I arranged for my employees to have company cars

Sadik Pothiawala is managing director and co-founder of **Samarind Limited**, which designs, supplies and supports off-the-shelf and bespoke computer packages for SMEs. Today, the company employs 15 people and has six company cars. Sadik believes offering company cars has helped the company attract top staff.

What I did

Consider different ways of obtaining the cars

"Whether we opt for a contract-hire or leasing agreement, or an outright purchase, depends on the circumstances.

"For cars that do very high mileage we've tended to go for contract-hire agreements as these include maintenance. We also lease two of our cars, so we're responsible for the sale at the end of the deal. This is a good option if there is the possibility that we need to keep the car for another year at the end of the agreement. If we've got a surplus of cash, it's more cost-effective to buy the car outright.

"There's no right or wrong way, it's just a matter of judgement in each case."

Fill in form P11D

"Every tax year we complete form P11D for each car we provide, because HM Revenue & Customs essentially views a company car as a salary increase for the employee, so we have to pay more National Insurance. The amount is related to the car's carbon emissions and value.

"Calculating the emissions is straightforward, and can be done online or using a chart from the HM Revenue & Customs website. The point is we need to do it accurately otherwise we're liable. It's also important to note that the value of a car includes any extras it might have and is based on the full list price, not what we paid for it."

SADIK'S TOP TIPS

- "Read the small print in any lease contract and be clear of the return date of the car, mileage, agreed condition and any penalties."
- "Assess the overall cost of a company car on your business."
- "Check the value your insurance company puts on the car compared to the finance company, and beware of any shortfall."

Pay for employees' private mileage

"We have some employees who commute long distances and we pay fuel for all their journeys. Paying for private mileage is a heavy burden on our company from a tax perspective, but we believe it contributes to reduced staff turnover."



“WE HAVE SOME EMPLOYEES WHO COMMUTE LONG DISTANCES AND WE PAY FUEL FOR THEIR JOURNEYS. PAYING FOR PRIVATE MILEAGE IS A HEAVY BURDEN ON OUR COMPANY, BUT WE BELIEVE IT CONTRIBUTES TO REDUCED STAFF TURNOVER.”

What I'd do differently

Set out a formal policy for employees

“We've been fortunate in that all our employees have looked after their cars but some people can

abuse them. I'd formalise a company car policy in my employment documents from the start, covering what the company pays for and what the driver is expected to do in return. We didn't do this at first.”



Find out more:

Company cars, vans and fuel

businesslink.gov.uk/companycars

Here's how I managed the shareholders in my business

Silverbear Ltd is a fast-growing software business based in Guildford. The company provides customer relationship management solutions and systems integration for commercial and local government clients. Managing director **Mark Travis** explains how the company manages its relationship with its shareholders, which include the majority of Silverbear's 18 employees.

What I did

Set objectives

"It's really important to decide what you, as business owners, want from a share issue before getting into the technical and legal issues. My co-founder and I were clear that we wanted to retain a majority shareholding, and also keep control of decision-making. We also wanted to set up an employee share option scheme to provide a staff incentive.

Get advice

"Issuing shares can be complex, so you do need external advice. There are statutory requirements, tax implications, dividend payments, and your objectives as owners to take into account. You also have to decide upfront on the value of the shares and the level of equity capital to be issued.

"We employed the services of an accountant and a solicitor to help us. Even so, you have to be prepared to devote time to the process and the considerable paperwork involved."

Manage expectations

"To achieve our objectives we decided that we'd retain 'A' shares, or voting shares, and that the new shares would be 'B' shares, or non-voting shares. We recognised that this could be a source of dissatisfaction, so we took great care to explain to shareholders the business reasons behind this approach.

"It's tempting to make projections about how much shares may be worth in future if the business performs well, particularly when asked by shareholders. We've always resisted this, since we feel that it could raise expectations unfairly."

MARK'S TOP TIPS

- "Communicate with your shareholders frequently so there are no surprises."
- "Never over-promise on performance: aim to over-deliver on conservative forecasts instead."
- "Build a relationship with shareholders based on trust and credibility."

Communicate openly

"It's vital to treat all shareholders as stakeholders in the business and communicate with them accordingly. We hold quarterly meetings where we give a presentation on company performance, including cash-flow, contract wins, sales projections, new product development and all other relevant matters.



“Our motto for meetings is “no surprises”. We make sure that any big issues have been disseminated in advance, so shareholders arrive at meetings informed and prepared. Overall, we strive to communicate the reality as opposed to our vision. We want to build credibility with shareholders, rather than risk disappointing them by making ambitious promises followed by below-par results.”

What I’d do differently

Pick experienced advisers

“We made the mistake of using an accountant who hadn’t actually been through the process. It would’ve been easier if we’d used someone with a track record.”

Think carefully about share structure

“Whilst having different shares has worked well, if we had our time again I think we’d keep things simpler, since it’s made the administration harder to manage.”



Find out more:

Shares and shareholders
[businesslink.gov.uk/
manageshareholders](https://businesslink.gov.uk/manageshareholders)

Here's how I made the most of tax allowances and credits available for R&D

Joe Byrne is financial controller of **Keronite Limited**, a company formed in 2000 to exploit a new technology for treating metal surfaces. He claims R&D tax relief and allowances for Keronite - benefits which allow the company to weather start-up losses and continue to invest in essential research.

What I did

Claim tax credits under the SME scheme

"A large percentage of our workforce does pure research so their employment counts as qualifying expenditure for R&D tax relief. We claim for their salaries, National Insurance and all the other associated costs of their employment.

"We claim R&D tax relief for the full cost of all the consumables we use in the research process too - chemicals, beakers, that sort of thing. It's not big expenditure but it amounts to several thousand pounds a year.

"Under the tax credits scheme for SMEs our tax relief is increased from 100 per cent to 150 per cent. And because we made losses we can claim a cash repayment from HM Revenue & Customs of 16 per

cent of that figure. It's a significant sum.

"We also subcontract research to the University of Sheffield and The Welding Institute and I can add 65 per cent of our expenditure on this to our R&D tax relief claim."

Claim R&D tax allowance for the capital costs of our research

"So far we've spent £5 million developing our product with a good proportion of that spent on machinery and equipment for chemical processes. It also includes hundreds of thousands spent on plant installation to show the automotive majors that we can actually do what we say we can do. We can claim this capital expenditure as R&D tax allowance.

"Keronite now makes tax losses and the R&D allowance increases these. But we can carry these losses forward to set against our profits in the future when it will lower our corporation tax bill."

JOE'S TOP TIPS

- "Know the tax law in as much detail as the HM Revenue & Customs experts."
- "Put systems in place to identify R&D expenditure."
- "Err on the side of caution in grey areas."

Set out initial claims in great detail

"The first time we did a tax credits claim under the SME scheme we fully explained



“WE CLAIM R&D TAX RELIEF FOR THE FULL COST OF ALL THE CONSUMABLES WE USE IN THE RESEARCH PROCESS – CHEMICALS, BEAKERS, THAT SORT OF THING. IT’S NOT BIG EXPENDITURE BUT IT AMOUNTS TO SEVERAL THOUSAND POUNDS A YEAR.”

the nature of our business to HM Revenue & Customs and stated clearly why we thought we qualified, citing all the relevant clauses of the relevant statutes. Essentially, we tried to make HM Revenue & Customs’ job as easy as possible.

“We then presented it on the normal corporation tax return through our tax adviser.”

What I’d do differently

Apply for tax credits earlier than I did

“I waited six months after joining Keronite before I applied for tax credits and I should have done it earlier. I wasn’t completely sure we could apply. It was one of our shareholders who mentioned them so I thought I better take a look into it. Receiving the tax credits back in cash makes it less likely we have to go to our shareholders for more funding.”



Find out more:

Capital allowances: the basics

businesslink.gov.uk/capitalallowances

Here's how staff appraisals help us monitor performance and motivate staff

Anglesey Sea Zoo is Wales' largest marine aquarium, attracting over 75,000 visitors per year. Director and partner **Alison Lea-Wilson** describes how the company introduced an appraisal system that has proved to be a key motivator for its 25 staff.

What I did

Set up a system

"When we started our appraisals were more of an informal chat. As we grew, we decided to implement twice-yearly formal appraisals. We wanted to ensure that employees' contributions closely fitted the goals of the business as well as provide a chance to recognise good performance and address issues.

"Appraisals run hand in hand with performance objectives. We based ours on each employee's job description. We also talked to staff so that the objectives could be agreed in advance and they knew what to expect."

Measure performance

"The majority of our performance objectives aren't as easily quantifiable as, say, sales targets, so we use a scoring system. Each objective is rated on a scale of one to four and both managers and employees fill in

the form. Comparing the two perspectives can be very useful for resolving mis-matched expectations.

"Providing a forum where staff can express their views and have issues addressed definitely boosts motivation, as does giving praise where it's due. We know this because we conduct anonymous staff surveys to assess the effectiveness of our appraisals."

Conduct the appraisal

"We invite staff to appraisals in writing, including a copy of the appraisal form to fill in. The completed form is discussed during the appraisal itself, with an emphasis on constructive two-way feedback.

"As well as covering the defined performance objectives, we discuss related issues, for example, how training can help employees achieve their performance objectives.

"After the appraisal, teamleaders document the discussion and put action points and timescales

against each item before circulating a copy to the employee. However, the desired outcome isn't for teamleaders to provide a "to do" list. We encourage our employees to formulate their own solutions to any issues that have been identified. That way they feel more involved and in control."

ALISON'S TOP TIPS

- "Focus on appraising the skills, not the person."
- "Allow plenty of time and make the atmosphere comfortable."
- "Appoint someone internally to administer the system, otherwise it can become unwieldy."



“PROVIDING A FORUM WHERE STAFF CAN EXPRESS THEIR VIEWS AND HAVE ISSUES ADDRESSED DEFINITELY BOOSTS MOTIVATION, AS DOES GIVING PRAISE WHEN IT’S DUE”

What I’d do differently

Don’t rush it

“In the early days, we underestimated how long a thorough appraisal takes. It’s counter-productive if the appraisee feels their manager has one eye on the clock. We now allow a minimum of an hour and a half for each employee.”

Delegate to line managers

“I used to think that it was my responsibility to conduct all appraisals. I’ve learnt that delegating to line managers is equally effective and demonstrates trust in their abilities.”



Find out more:

Use appraisals to manage performance
[businesslink.gov.uk/
manageperformance](https://businesslink.gov.uk/manageperformance)

Here's how flexible working has benefited employees and our business

The **TYF Group** is an adventure, education and leisure business, based in St Davids, Pembrokeshire. Managing director **Andy Middleton** explains how flexible working arrangements help the company to boost staff motivation and meet its business goals.

What I did

Make a strategic decision

"We run four divisions with a year-round staff of 15, growing to around 55 during the busy summer season. We made a strategic decision to introduce flexible working several years ago.

"The core of our business is in adventure training and personal development. This means that we're constantly in contact with clients who have forward-thinking employment policies. We were able to compare our own policies against theirs and get ideas.

"We also talked to staff about their goals and expectations. We decided to re-think and adapt our policies to meet employees' needs rather than expecting staff to fit their lives around us."

Introduce policies

"We use several methods of flexible working, varied according to individual needs and business priorities. Part-time working, flexible hours, home working, shift swapping and sabbaticals have all been

successful for us, although it's been a process of trial and error. You have to accept that it's not a "one size fits all" solution and modify arrangements that aren't working as you go along.

"Our employees know that as long as the customer doesn't suffer, budgets are met and the job gets done, the company will consider most requests favourably. We make our policies clear at interview and induction so staff know what to expect and what's expected of them."

Embrace the concept

"We plan flexible working arrangements at management level and line managers monitor performance against predetermined targets, but it has to become part of the company culture in order to work really well.

"There are cost implications, but the pay-back is definitely worthwhile. We now have a highly motivated work force who, through good communication, understand the impact of their actions on the company balance sheet and take responsibility

for their working hours. For example, a staff member recently took a two-month sabbatical in Mexico and arranged her own cover for the duration, which worked very smoothly.

"Overall, we have excellent staff loyalty, high productivity and flexible working has enhanced our reputation with customers too."

ANDY'S TOP TIPS

- "Make flexible working part of your company culture."
- "Communicate with staff and trust them."
- "Lead by example."



“WE USE SEVERAL METHODS OF FLEXIBLE WORKING, VARIED ACCORDING TO INDIVIDUAL NEEDS AND BUSINESS PRIORITIES.”

What I'd do differently

Have principles not rules

“When we first introduced flexible working, like most companies, we started with a set of fixed dos and don'ts. Over the years, we've learnt that it's less about enforcing rules and more about instilling values and principles.”

Learn from mistakes

“It's easy to panic when something goes wrong and start questioning if flexible working is right for you. Once we recognised that a few mistakes wouldn't damage our business, we became more open to trying new methods.”



Find out more:

Benefits of flexible working

businesslink.gov.uk/flexibleworking

Here's how I manage working hours to control costs and avoid unnecessary pressure on staff

Norton Priory Museum and Gardens is an award-winning visitor attraction in Runcorn, Cheshire, boasting one of the largest excavated monastic sites in Europe. The business, an independent charitable trust, relies on careful management of working hours to meet budgets and maintain flexibility. Director **Steve Miller** describes the methods used and how they benefit staff as well as the business.

What I did

Set expectations

"Our business is open 362 days a year and demand fluctuates between seasons, so efficient staffing policies are essential. We're also a popular location for film and TV crews, plus we run frequent evening events, all of which require flexibility in working hours.

"We make staff aware from the start that unusual working hours will be part of the job. However, we also make it clear that we're prepared to give as well as take. We offer a good working environment and excellent training opportunities. We've found people are willing to trade unusual or unsociable hours for the benefits we provide in other areas."

Consider alternatives to overtime

"Our financial structure as a charitable trust means we work to strict budgets, so traditional overtime doesn't

always fit the bill. Overtime can be expensive, especially for the number of weekends and Bank Holidays that we need our employees to work. It's also part of our company culture to encourage a healthy work-life balance and paid overtime could undermine that.

"We researched alternatives and now we use a combination of part-time employees and time off in lieu (TOIL) to meet variable demands on working hours. We also take on a number of graduate work placements and volunteers during our busiest season to take the pressure off regular staff."

Manage the system

"TOIL works well for us, but it needs careful management. TOIL arrangements are included in all employee contracts, as is the requirement to work unsociable hours and some weekends.

"We stipulate that no more than three days can

be accumulated each month, although we always try to accommodate requests to 'carry over' time owed. We actively encourage staff to take TOIL during the same week it's earned because it's better for their well-being and enhances productivity.

STEVE'S TOP TIPS

- "Lead by example when requesting overtime or unsociable hours. If you wouldn't do it yourself, why should your employees?"
- "Make contractual obligations clear, but be flexible where possible."
- "Ask staff for ideas on how to cope during busy periods."



“WE KEEP DETAILED RECORDS OF HOURS WORKED AND WE REVIEW THEM REGULARLY SO THAT WE CAN SPOT POTENTIAL PROBLEMS BEFORE THE BUSINESS OR INDIVIDUAL SUFFERS.”

“We keep detailed records of hours worked, including weekly time sheets, and we review them regularly so that we can spot potential problems before the business or the individual suffers.”

What I'd do differently

Check contracts

“As the business grew, so did our use of part-time staff and TOIL, but in retrospect, our contracts didn't

keep pace. They've now been changed, but they should have been reviewed at an earlier stage.”

Communicate with staff

“If you expect staff to co-operate with unusual hours or overtime requirements, you need to communicate your intentions. It took us a while to put the proper channels in place.”



Find out more:

Manage overtime

businesslink.gov.uk/manageovertime

Here's how my business approaches health and safety issues

Phil Andrews is managing director of **The Industry Exchange**, a company that brings business people together - either at specialist events, via digital exchanges or as a network facilitator. Phil, who started the business in 2003, makes health and safety a priority because it helps protect his five employees - who he believes are his most valuable asset.

What I did

Look at the risks

"I knew from day one that health and safety was important, but as a small and rapidly growing business I found it hard to find the time in the first six months to sit down and write a health and safety plan.

"One day we had a minor health and safety incident which made me realise just how important it was. My colleague and I were rushing to catch a plane when she tripped and sprained her ankle. As soon as we got back to the UK, I sorted out insurance to give us all full medical cover wherever we were and we sat down as a group to look at our health and safety issues."

Write a plan

"We talked through our working day - what we do,

how we operate, how we get where we are going and then carried out a risk assessment of all these activities. The main issue was the organisation of the office, because we all spend a lot of time there.

"We ended up with a health and safety statement that we keep on the wall, which everyone has signed to show his or her commitment. It takes up one page of A4, and states things such as: "I will ensure the office environment is kept safe for myself and my colleagues", with sub-heads such as, 'responsible use of leads, wires and cables' and 'keeping the office rubbish free'."

Get employee buy-in

"I think it is very important to get everyone's buy-in to a health and safety policy and make it clear it applies

to everyone, including managers. I also believe in empowering everyone to take responsibility for health and safety so the most junior member of staff can reprimand the boss, if they see them doing something potentially dangerous.

"The health and safety of my staff is paramount. I make sure

PHIL'S TOP TIPS

- "Make health and safety a priority. It is something you should be thinking about from the minute you start up in business."
- "Write a policy that is informed by common sense and not written in language your staff can't understand."
- "Remember that your health and safety policy and sustainable development policy go hand in hand."



“THE HEALTH AND SAFETY OF MY STAFF IS PARAMOUNT. I MAKE SURE THE WORK ENVIRONMENT IS COMFORTABLE BY PROVIDING FLAT SCREEN MONITORS AND ERGONOMIC CHAIRS. I’D RATHER HAVE A SAFE AND COMFORTABLE WORK ENVIRONMENT THAN SAVE A FEW POUNDS.”

the work environment is comfortable by providing flat screen monitors, which take up less room on the desk, and ergonomic chairs. I would rather have a safe and comfortable working environment than save a few pounds.”

What I’d do differently

Think about a plan from the outset

“I would have created a health and safety policy sooner. I know now that it is as important as any of the other things you have to concentrate on when starting up and shouldn’t be pushed aside.”



Find out more:

Your responsibilities for health, safety and the environment

**[businesslink.gov.uk/
healthandsafetyresponsibilities](https://businesslink.gov.uk/healthandsafetyresponsibilities)**

Here's how I conducted a risk assessment

When travel industry service provider **AU Logistics Ltd** started up two years ago in Birkenhead, the company knew that assessing workplace risks was a legal responsibility. Logistics director **Rick Menzies** explains how he conducted a risk assessment of the company's warehousing and shrink-wrapping facilities.

What I did

Get advice

"A large part of our business is bulk brochure distribution and warehousing. This involves manual goods handling, fork-lift truck operation and machine use – all of which are potentially hazardous. We had basic health and safety procedures in place to comply with regulations, but following a minor accident involving an employee, we decided we wanted to do more. A broader risk assessment than we'd done initially was the obvious starting point.

"We contacted the Health and Safety Executive (HSE) who provided useful information and contacts. Using the HSE's booklet Five steps to risk assessment, I put together a plan. Once I got started I realised that most of what's involved is common sense – but it helped knowing we were working within approved guidelines."

Be methodical

"The first thing I did was to walk round the premises with a notebook. Area by area, I wrote down absolutely anything I could think of that might pose a risk. Beside each risk or hazard, I noted who might be affected, the level of risk and whether I thought existing precautions were adequate.

"I then contacted an adviser from health@work, a local organisation recommended by the HSE. I agreed a basis upon which he would visit and he came to the premises and worked through the list with me. He was able to alert me to hidden risks such as location of power and water supplies, and limiting the extent to which windows can open. He also suggested ideas for expanding the risk assessment to include things like mobile phones."

RICK'S TOP TIPS

- "Do the broadest risk assessment you can. It's good for business and good for the wellbeing of your staff."
- "Get hold of as much information as you can and make sure you read it."
- "Don't assume official bodies like the HSE are there to criticise or burden you with paperwork. In my experience, they couldn't have been more helpful."

Act on the assessment

"Part of a risk assessment is eliminating or minimising the risks you've identified. For example, our adviser pointed out that the maximum load being handled by warehouse staff was too high. We immediately reduced it. In this and every other case, we made sure that we documented the procedure and circulated a copy to staff.



“The completed risk assessment became the foundation for what’s now a very thorough health and safety policy. The policy is displayed all around the premises and is given to all staff who join the company. The risk assessment and the policy are reviewed and updated at least every six months and any changes are circulated promptly. During the reviews, we welcome staff input.

“An effective and broad risk assessment policy, rather than one that just ticks the legal boxes, is important to the development of our business. We’re now aiming for ISO 9000 certification and the work we’ve done will help with that. We’re also targeting bigger customers who expect to see proof that suppliers take health and safety seriously.”

What I’d do differently

Get advice sooner

“When we started up, we should have got proper advice sooner. For example, we originally set limits on manual handling weights based on advice from a supplier. It turned out to be incorrect.”



Find out more:

Risk assessment: an overview

businesslink.gov.uk/riskassessment

Here's how I created a safer working environment

Coventry-based solution provider **Sigma QC** helps companies identify and eliminate problems in their manufacturing operations. Part of the tailored service involves employees working on client sites. Quality and health and safety manager **Craig Simonds** explains how the company integrates both off-site and on-site safety measures in its health and safety policy.

What I did

Start with a risk assessment

"Our health and safety policy has developed considerably in recent years, over and above the purely legal requirements. The starting point was a series of risk assessments that allowed us to pinpoint areas for improvement. The process covered the full range of risks and hazards, everything from manual handling and electrical hazards to repetitive strain injury (RSI).

"Risk assessments form the basis of the policies and procedures we put in place to protect our employees. It's not just good for our workforce - it's good for business too, minimising sickness absence and helping employees to do their jobs more efficiently."

Take action

"Upper limb disorders, some of the commonest workplace injuries, are a good example of how we tackle health and safety issues. For any task where we've identified the risk of an upper limb disorder, we now issue a "work elements" sheet. The sheet gives step-by-step instructions on how a particular task should be done in order to minimise the risk of damage to arms, shoulders, necks and hands.

"We also make use of employee questionnaires. For example, all staff are asked to comment on the suitability of their workstation and report any discomfort, such as aches and pains in fingers, shoulders or wrists. The information provided helps us to correct any problems promptly.

"We audit working practices regularly, both on and off-site, to make sure that bad practice doesn't creep in over time. In addition, we've developed partnerships with our manufacturing clients that allow us to share best practice and ensure the welfare of our staff when they're away from the office."

CRAIG'S TOP TIPS

- "Don't bury your head in the sand when it comes to health and safety. Ignorance is no excuse if the law catches up with you."
- "Do your research and get advice. Time spent at the outset avoids wasted effort later on."
- "Get tips from other businesses. You're not aiming to re-invent the wheel, so ask trusted associates how they solved a particular problem."

Communicate with employees

"As part of our health and safety policy,



we've instigated a thorough induction programme for employees. This involves providing them with all the documents they need, plus one-to-one briefings on our approach and procedures. We've also appointed health and safety representatives internally. They help to communicate any changes to staff and make sure that procedures are being followed.

"Employee feedback is vital, so we encourage a culture of safety awareness at every level. Everyone knows that if they have concerns about health and safety, the company will take them seriously."

What I'd do differently

Get expert advice sooner

"We got advice from experts, such as the Health and Safety Executive, at various points - but we could have

done it sooner. There's so much free advice available and it saves time and money in the long run."

Streamline documentation

"A good health and safety policy does lead to more paperwork. In the early days, there was some staff resistance to the number of questionnaires and documents they were being asked to complete. I wish we'd looked at ways of amalgamating documents and processes sooner."



Find out more:

Prevent RSI and upper-limb disorders
businesslink.gov.uk/preventRSI

Here's how I use NDAs in my business

The **Anglesey Sea Salt Company** produces Halen Mon sea salt from the pure waters of the Atlantic just off Anglesey, North Wales. Innovation lies at the heart of the company, including novel applications of technology in the manufacturing process. Director **David Lea-Wilson** describes how the use of non-disclosure agreements (NDAs) enables the company to share sensitive information with suppliers and customers.

What I did

Recognise the need for protection

"Our sea salt is highly regarded for its purity, crunchy texture and distinctive taste. A key factor is the exceptional cleanliness of the seawater we use, but other qualities are imparted via our manufacturing process. As such, we're keen to keep the details of the process under wraps.

"However, we often need to share information for commercial reasons, for example collaborating with plant designers, negotiating joint ventures or raising finance.

"We can't patent our process because evaporating sea water is deemed to be a natural chemical process, so non-disclosure agreements have become our principal protection against people copying our idea."

Define agreement terms

"We wrote our NDA by purchasing several off-the-shelf agreements, then using parts from each that best suited our business. A specialist lawyer checked the agreement before we began using it.

"You have to be very specific about what you're willing to share and what you're not in order to minimise the risks. We went through each stage of our process and assessed the business consequences of people knowing a particular thing before deciding what to include. For example, we have to share technical details with plant designers, but the exact temperature we use during evaporation is something we keep to ourselves.

"You also have to be as precise as possible about how the information provided can and can't be used. We have two versions of our NDA - a full version and a simple one-page version that's useful for highlighting the key points."

DAVID'S TOP TIPS

- "Never be tempted to waive the signing of an NDA."
- "Be precise in defining agreement terms."
- "Remember to recover any documents you've handed over when the NDA expires."

Apply the agreement

"We introduce the NDA into negotiations upfront and we make it a rule to leave the first meeting with it signed. We also make our use of NDAs clear to all staff at induction and include a clause in contracts about what they can and can't talk about.



“Occasionally a potential partner refuses to sign our NDA or wants to use their own version, but we always stick to our guns. If someone wants to take the NDA away to study, that’s fine, but we end the meeting immediately – you can’t afford to give anything away before they’ve signed on the dotted line.”

What I’d do differently

Keep a central database

“We keep individual files on everyone who’s ever signed our NDA. However, a centralised record would have been beneficial and we’re now working towards that.”

Do patent searches sooner

“Looking back, we should have done patent searches right at the start to ensure that no-one had a claim to any part of our idea.”



Find out more:

Non-disclosure agreements

businesslink.gov.uk/nondisclosure

Here's how I made broadband work for my business

Loxleys Print Limited prints more than 100 million greetings cards a year. The company exchanges vast amounts of information with clients and suppliers via the Internet. IT Manager **Helen Roberts** is always looking for ways to speed things up, so connecting to broadband was a must. As well as faster Internet access, the company has seen improvements to network support, customer service and overall efficiency.

What I did

Choose an ISP

"We already had an ISDN line, which is faster than a dial-up connection. But the number and size of files we send and receive every day meant I was keen to get broadband as soon as it was available in our area. We asked a business contact who already had broadband to recommend an Internet service provider (ISP) who came to talk to us. Every ISP offers a range of packages, so you do need to do your homework to make sure you get what's right for your business.

"We chose an ADSL connection, which is shorthand for a particular type of 'always on' broadband. Even as an IT manager, I was worried that I wouldn't understand the technical jargon, but our ISP was good at putting things into plain English. I was also pleasantly surprised by how easy it was to

get broadband working on our network of 30 computers. As part of our arrangement with our ISP they did the donkey-work and made sure everything was up and running."

Make the most of it

"The first ADSL line we installed was an immediate success, speeding up file transfers and email. Communication and efficiency were improved overnight because the connection is always on and we can respond more quickly to customer requests.

"Broadband also made it easier to support the network. I'm constantly downloading anti-virus updates and software patches. That's much faster now and we have less downtime on the network too.

"What's amazing is that these improvements were achieved for the same monthly cost of our old ISDN

service. In 2003, we added another broadband line and a new database that lets us store all our card designs on a web server that clients can access as well. They can upload or download whatever images they want in seconds, where previously it all had to be put on a CD and sent by post or courier. This has strengthened our relationships with customers and reduced delivery costs."

HELEN'S TOP TIPS

- "Shop around, but balance price against service levels. The after-sales support you get varies considerably between ISPs."
- "Ask potential ISPs to provide a reference and make sure you contact them."
- "Recognise that introducing broadband can encourage misuse, but don't make your Internet and email policy too strict."



Implement an Internet and email policy

“Getting broadband gave us the push we needed to implement an Internet and email policy. Before, only key staff had unlimited access to the network. With broadband, we could afford to have all of our office staff connected. This had obvious advantages, but it also opened up the potential for misuse, so it is a good idea to put a policy in place clearly stating what is and isn’t acceptable.”

What I’d do differently

Shop around

“We’ve been very happy with our ISP, but it is always a good idea to shop around. Prices have come down dramatically and competition is increasing, so you can get some good deals.”

Introduce an Internet and email policy sooner

“Although broadband was a good incentive to put an Internet and email policy in place, we didn’t do it right at the start. Developing an Internet and email policy earlier and communicating our intentions would have helped manage staff expectations.”



Find out more:

Using broadband in business
[businesslink.gov.uk/
broadbandinbusiness](https://businesslink.gov.uk/broadbandinbusiness)

Here's how I introduced an email and Internet policy

Caroline Wheeler is business development director at **Pace Telecom**, a business telecommunications company. The firm started in 1993 and has 35 employees who need email and Internet access. Caroline explains the benefits of putting an email and Internet policy in place and how it helps protect the business.

What I did

Write a policy

"We introduced our policy in 1997, when we gave each employee access to email and the Internet. We got some help from Education and Learning Wales with drawing up the policy. It covered personal use, downloads, the use of email between colleagues and what would happen if guidelines were ignored."

"We felt it was very important to have a policy - if your employees don't know the rules, you can't blame them for breaking them. Also, if you don't have a policy and you end up at a tribunal, you are more likely to lose because you won't have any evidence to show that an employee knew they were doing wrong."

"The policy runs to two pages and forms part of our employee handbook. Each employee signs for a copy

during their induction and it is then theirs to keep and refer to."

Set the rules

"With the Internet, rather than ban personal use we allow our employees to do what they want, within reason, as long as they do it during a break. Otherwise it is like putting sweets in front of a three year old - you can't expect them not to eat some."

"We do allow personal emails, but not during work time. The only thing completely banned is internal, non work-related emails. This is because if an employee gets an external message they could pass it around internally during their break to colleagues who are still working, and disrupt them."

Protect our systems

"We also won't tolerate anyone looking at adult websites and we ask employees to be careful with what they download. If you give your employees a gateway to the whole world via the Internet, you have to put measures in place to

CAROLINE'S TOP TIPS

- "Don't give email and Internet access to staff who don't need it to do their job. Set up a shared computer instead, that they can use during breaks."
- "Check that your policy works for both the employee and the employer through regular staff reviews."
- "Always consult a lawyer or a body like Acas before taking action against an employee. Once you have acted, there is no going back."



“WE FELT IT WAS VERY IMPORTANT TO HAVE A POLICY – IF YOUR EMPLOYEES DON’T KNOW THE RULES, YOU CAN’T BLAME THEM FOR BREAKING THEM.”

protect your system and to detect viruses.

“We have only had a problem once, which led to us starting the first step of our discipline and grievance procedure - one of our key members of staff was sending personal emails back and forth to her boyfriend all day. When we did take action, it not only got her focused on her job once again, but also showed the rest of our staff that we would enforce our policy - even against a key employee.”

What I’d do differently

Prepare for growth

“Things have moved on a great deal from when we first introduced our email and Internet policy, because we have more employees and there is more to manage. The key is to continually review your internal systems and processes, and external changes such as new viruses to ensure your server can deal with any new threats.”



Find out more:

Staff and IT

businesslink.gov.uk/staffandIT

Here's how I guarded against data loss

Bucks.Net is an Internet solutions provider based in Aylesbury. Sales director **Phil Smith** and his team have put a range of measures in place to minimise the risk of data loss. This enables them to cope in a worst-case scenario such as potentially losing client records or financial information.

What I did

Put back-ups in place

"The first thing we did was to put a rigorous system in place for physically backing up data. If it's being done ad hoc, you'll inevitably get caught out. We gave responsibility to one individual within the company. The rules are that the system is backed up daily and that the back-up tape we use is taken off-site and secured every night. That way, if we have a fire or a burglary rather than a technical problem, our data is still safe."

Tackle online threats

"In today's connected world, our data is at risk from online threats like viruses. Our firewall is a valuable frontline defence against data loss. We've had the

firewall tested by security experts and we estimate it stops 90 per cent of potential security breaches. To support this, and capture the other 10 per cent, we also run reputable anti-virus and anti-spam software. It's always 'on' and updated regularly."

Consider internal security

"Data loss often comes about through human error rather than hardware or software failure. Our internal data security measures aren't a case of not trusting staff, they're just sensible precautions. Although all staff have Internet access, we limit access to certain parts of the network with passwords. We also use monitoring software to track Internet usage, downloads and email.

"We now have a written policy in place that makes staff aware of how they can help to protect our data and the data we hold on behalf of clients. It includes everything from how to recognise and deal with a suspect email, to the procedures to be followed in the event of a major IT failure. To make this work we train staff in all aspects of our processes and include appropriate statements in our policy document."

PHIL'S TOP TIPS

- "Nominate one person to back up data every day and store off-site. Even if you have to pay them extra it's worth it."
- "Don't assume the back-up works - check the tape or disk daily to make sure."
- "If you're not clear what else you need, invest in the services of specialist - there are affordable data security solutions for all sizes of business."



“THE SYSTEM IS BACKED UP DAILY AND THE BACK-UP TAPE WE USE IS TAKEN OFF-SITE AND SECURED EVERY NIGHT. THAT WAY, IF WE HAVE A FIRE OR BURGLARY RATHER THAN A TECHNICAL PROBLEM, OUR DATA IS STILL SAFE.”

What I'd do differently

Have an internal policy from the start

“Our internal policy today is comprehensive and effective, but it would have been better to implement it from the outset. Making it clear exactly what's expected from day one means less room for costly mistakes later on.”

Back up links to the outside world

“Losing Internet service, even temporarily, can be a major headache for any business these days. Looking back, I would have made sure from the outset that we had a back-up system for Internet connection. This service can be provided by most Internet Service Providers and should ensure little or no down-time.”



Find out more:

Security and crime prevention
businesslink.gov.uk/crimeprevention

Here's how I chose the right marketing mix

Two years ago, human resources consultancy **Wickland Westcott** reviewed the marketing strategy for its assessment and development services. A new focus and a more structured approach have already paid dividends. The last financial year was Wickland Westcott's best ever. Co-owner and director of assessment and development, **Colin Mercer**, describes the process.

What I did

Identify strengths and weaknesses

"In 2002 the company was doing well, but our approach to marketing was hit-and-miss. We went through the business from top to bottom and pinpointed our strengths and weaknesses.

"On the plus side, customer research showed that we had a great reputation for quality service. On the minus side, brand awareness was low and some of our systems weren't working well. We also used published academic research to find out more about our target customers' mindset and why they buy. We used all the information to create a marketing strategy with clear objectives. These included developing our network of partnerships, raising brand awareness, positioning ourselves as strategic thinkers in our market, and getting more business through referrals."

Work to a plan

"With clear objectives in mind, writing and implementing a marketing plan was easier. We changed our marketing mix and our approach:

- Our printed newsletter, our main direct marketing method, was made more customer-focused by including market briefings. Feedback has improved and we've had several approaches from new clients who've received it.
- Instead of cold calling, we stepped up marketing via our network of partners. We provided them with clear information so that they could promote all our services to their clients. Now, about 20 per cent of what we bill is to partners rather than end users.
- To establish ourselves as strategic thinkers in our markets we began getting articles published in relevant trade journals. This raised brand awareness

and enhanced our reputation. We also use re-prints of the articles as a direct marketing tool.

- We also re-designed our website and launched an Interview Guide on CD-ROM to show the flexibility of our services.

"We now review our marketing strategy and update the plan every six months. As a result of one review, we decided to attend a big trade conference, which worked extremely well for us and generated a lot of new leads."

COLIN'S TOP TIPS

- "Use research to get inside the mind of your customers and understand why they buy."
- "Have a marketing strategy and plan, but don't be afraid to modify them if circumstances change."
- "Consult frequently with staff and communicate the marketing strategy internally - managing internal PR is as important as external PR."



Clean up the database

"Marketing to existing customers is easier and cheaper than starting from scratch with new ones, because existing customers are aware of our quality. However, to market effectively to this group required a better customer database than we had. As a result we decided to update our customer database. It's just as well we did, because as we updated it we found that approximately 40 per cent of the entries contained errors, duplications or were completely irrelevant. If we'd marketed to our original database we'd have wasted a lot of time and money.

"We now have a proper database management strategy. We nominated one person internally to take responsibility and now it's kept up to date meticulously. We also use bought-in contact databases to help us target new customers."

What I'd do differently

Repackage content

"We were slow to realise that the content we had on our website and in other marketing literature was a gold mine. It can be repackaged in lots of different ways. For example, a case study written for the website can be used as a mail shot, as the basis for a trade magazine article and as a handout for meetings as well. We're much better at it now, and we use all our content, including survey results, across all our marketing channels. However, we could have made use of what we had much sooner."



Find out more:

Create your marketing strategy

businesslink.gov.uk/marketingstrategy

Here's how direct marketing improved my business

Armorica is a specialist cookware retailer based in Petersfield, Hampshire. Owners **Bill** and **Valerie Brown** have recently started direct marketing to publicise both their high street outlet and complementary online shop. Bill describes the methods used and how the campaigns have increased sales.

What I did

Try new methods

"We had been advertising in some of the bigger home magazines for a while, but it was expensive and we weren't getting the response rates we'd hoped for. With advice from Business Link, we investigated several direct marketing methods and decided to start with a leaflet drop.

"Our trade organisation, the British Hardware Federation (BHF), produces a twice-yearly product catalogue for members. The catalogue is printed by the BHF with several pages of generic content but is tailored for individual retailers with logos and outlet-specific information.

"You end up with a professional-looking sales tool at a fraction of the price of doing it all yourself. We did an initial drop of 15,000 leaflets to local addresses. In the month following the drop, we experienced a 35 per cent uplift in sales compared to the previous year."

BILL'S TOP TIPS

- "Get ideas from other local retailers."
- "Keep an open mind and try new methods."
- "Use quiet sales periods to review and develop your marketing."

Use the database

"We have a database of over 600 customers, managed by our web design company, DataSouth, in accordance with Data Protection laws. We're especially careful to abide by the opt-out rules that prohibit contacting customers who have asked not to be sent information.

"We send out a six-weekly Armorica Newsletter to all eligible contacts, updating them on new products and special offers in-store and on the website. To add value and encourage retention, we also include a practical article in each issue, for example, tips on how to choose good kitchen knives."

Review and refresh

"We regularly review our direct marketing activities to assess the return on investment. While you have to put your money where your mouth is and try new things, you also need to know you're not wasting resources. We ask for customer feedback and track sales volumes following each activity.

"Direct marketing is only as good as the quality of the material you send out. If a particular leaflet drop or newsletter isn't as successful as we'd hoped, we'll look at ways to develop it, for example by including a voucher redeemable by quoting a reference number or bringing the leaflet into the shop."



“WE DID AN INITIAL DROP OF 15,000 LEAFLETS. IN THE MONTH FOLLOWING, WE EXPERIENCED A 35 PERCENT UPLIFT IN SALES COMPARED TO THE PREVIOUS YEAR.”

What I'd do differently

Segment the database

“We're fortunate that our products are of universal appeal to most households, so “blanket mailing” our database has been quite successful. However, certain product categories appeal more to certain types of customer, so we're looking at ways to segment our database and target specific groups.”

Cross-promote

“When we started the website last year, we initially thought that it would have to be marketed separately to the shop. With experience, we found that the two sales channels complement rather than compete with each other, so we now use direct marketing to promote both.”



Find out more:

Direct marketing: the basics

businesslink.gov.uk/directmarketing

Here's how I select and bid for tenders

The **JJ Group** is a full service marketing and new media agency based in Oxford. Established in 1989, the company's current clients include Volvo, British Gas and the Department for Work and Pensions. Marketing manager **Phoebe Hart** explains how a structured approach to tendering helps the company win new business.

What I did

Have a plan

"Two years ago we set up a dedicated team to co-ordinate tenders as part of our growth strategy. We began by reviewing recent contracts, analysing revenue versus costs. We also identified which market sectors and company types we wanted to target. It's important to be specific so you don't waste resources chasing tenders that don't fit overall business objectives.

"There are lots of ways to find out about contracts. As well as being members of relevant professional bodies, we monitor the trade press, attend networking events and use an online tool for tracking public sector contracts."

Allocate responsibilities

"At the outset of a tender we pick a team to work on it, balancing skills required against existing workloads.

We always allocate the people who will actually work on the business if we win it, and we include their CVs in the tender document.

"We hold meetings at key stages and map critical paths so everyone knows what they have to produce and when. When several people are contributing to a document, it's also important to give one person responsibility for the final edit, or you can end up with disparate styles."

Prepare the pitch

"Our golden rule is to focus on what the client is asking for. Sometimes that's clear from their brief, but you can't afford to guess or get too carried away with your own ideas. If we have queries, we contact the client, which also helps to build a rapport before the tender document is submitted.

"Most tender briefs come with a budget to work to. We regularly benchmark ourselves against similar-sized agencies so we know our pricing is competitive.

"Tender documents will be read by several people within an organisation, each with a different perspective. We structure ours so that they're easy to read and the client can quickly reference the part they're

PHOEBE'S TOP TIPS

- "Know your strengths and weaknesses before you start."
- "Have a plan for selecting tenders to go for."
- "Nominate a central co-ordinator."



“FOCUS ON WHAT THE CLIENT IS ASKING FOR. SOMETIMES THAT'S CLEAR FROM THE BRIEF, BUT YOU CAN'T AFFORD TO GUESS OR GET CARRIED AWAY WITH YOUR OWN IDEAS.”

interested in. “If a presentation is required, we adapt and add to the original document, so we’re not just re-hashing what the client has already read.”

What I’d do differently

Be selective

“In the early stages, the scatter-gun approach prevailed and we wasted time and money tendering

for contracts we shouldn’t have considered. Nowadays we’re more selective.”

Understand the public sector

“When we first started bidding for public sector contracts, we didn’t realise the difference in processes and timescales compared to the private sector. We now understand the level of detail required and the time we need to allocate.”



Find out more:

Tender for a contract

businesslink.gov.uk/tenderforcontract

Here's how an export agent helped me sell my products abroad

Managing director **Martin Statter** wanted to develop overseas markets for **Graphskill Limited**'s specialist pipework components, but did not have the time or resources to risk on setting up offices overseas. Engaging an agent has helped develop overseas trade at the right pace for the business. Here Martin explains how he did it.

What we did

Use a trade visit

"We had been thinking about export markets for some time. While we had sold overseas as subcontractors on large orders, we thought there would be some benefit in establishing a local presence in key markets. We went on a trade mission to Germany organised by UK Trade & Investment and met potential agents."

Find an agent we could trust

"We found an agent who was looking to add a company like ours to his portfolio. During the meeting, we didn't overplay our mutual expectations and we felt we could trust each other."

"As soon as we got home, he had confirmed in writing the framework that we had tentatively

agreed on and we converted that into a co-operation agreement.

"There were clearly defined timescales and responsibilities in the co-operation agreement and it suited both parties."

Manage the relationship

"We keep in touch regularly with our agent. If there hasn't been any activity for a while, we check in just to see what's happening in the market."

"Email is very useful from that point of view, but we usually speak on the telephone if we need to be absolutely clear about the detail of an order."

MARTIN'S TOP TIPS

- "Make sure you are comfortable with your agent on a personal level - they will represent your business overseas, so you will need to have a personal empathy with them."
- "Check the agent's portfolio and follow up references - you need to be sure they are capable of doing what they say they are and that they will be comfortable selling your product alongside others they represent."
- "Formalise the agreement - at the very least you need to have agreed commission rates, length of agreement and mutual responsibilities set down in writing. It's also a good idea for the first agreement to cover a relatively short time period in case it doesn't work out for either party."



“WE FOUND AN AGENT WHO WAS LOOKING TO ADD A COMPANY LIKE OURS TO HIS PORTFOLIO. DURING THE MEETING, WE DIDN'T OVERPLAY OUR MUTUAL EXPECTATIONS AND WE FELT THAT WE COULD TRUST EACH OTHER.”

“Differences in language can play a big part, especially when you're involved in a business that uses lots of terminology like ours. We realised this when we translated some promotional material into German for our agent. He picked out a couple of phrases that could have been easily misunderstood in translation. It's regular contact that helps minimise the risk of any confusion like that.”

What I'd do differently

Develop our website before looking at overseas markets

“We've revamped our website using specialist designers and it has made a huge difference. Potential overseas customers will often want to check your company out before even talking to an agent about your products, so it's an essential shop window.”



Find out more:

Exporting: an overview
[businesslink.gov.uk/
exportingoverview](https://businesslink.gov.uk/exportingoverview)

Here's how I began importing goods from abroad

Neil Refson is the managing director of **Exakt Precision Tools**, a power tool manufacturer for the DIY and professional markets, established in 2000. Neil realised, in order for the company to be able to compete on price with its competitors, Exakt could save money by importing one complete product, along with parts for another from abroad, where labour costs were lower.

What I did

"It was always part of our business plan to import some raw materials, but during the development stage of our DIY tool, the prices of similar products on the market fell. We realised that to compete on price, we would need to get our product manufactured somewhere with lower labour costs and import them.

"Our professional tool is manufactured in Edinburgh, but many of the raw materials and components come from the Asia, America and Europe."

Prepare in advance

"Before doing business with any country, we go on a fact-finding trip. We source potential suppliers via

the Internet and word of mouth before arranging a meeting. One of the first places we went was China. We took a translator, but most of the companies have people who speak good English. One of the key difficulties is having technical conversations over the phone — it is much easier to do it by fax or email where you can include drawings.

"My biggest concern was what we would do if something went wrong. Obviously if there was a contractual dispute it would be heard in court in the supplier's country. Thankfully we haven't had any problems. I think this is because we have built good relationships. Asian countries in particular, rely as much on trust and honour as legal contracts.

"Prior to finding suppliers, I also research the

culture. It is useful to know the correct manners, such as how to accept a business card. Being aware of these things can be invaluable."

NEIL'S TOP TIPS

- "Research the way business is done in your supplier's country. You can find a lot of useful information online."
- "Research the firms you intend to do business with by asking for trade references."
- "Visit and inspect the companies you are importing from at least three times a year."

Get the goods home safely

"It is important to get the goods quality checked before they are shipped. If they are faulty when shipped you will have to wait for more



goods to be shipped and send the others back. This means paying for the shipping three times and you risk letting customers down.

"The quality checker can either be your own employee or an agent. You also need to visit at least every few months, not just for quality control but to maintain relationships.

"When you import you have to pay duty and VAT and be aware of what code to use. HM Revenue & Customs produce some useful leaflets and I also used their helpline. We use a contract shipping company to get our goods to the UK."

What I'd do differently

"I would have left more time between taking our first orders and promising a delivery date to our customers, because if anything goes wrong you have no leeway. We did have some problems and had to work long hours to correct them."



Find out more:

Importing: an overview
[businesslink.gov.uk/
importingoverview](https://businesslink.gov.uk/importingoverview)

Here's how I began importing with ethical trading in mind

Scientists-turned-entrepreneurs **Jeremy Torz** and **Steven Macatonia** started **Union Coffee Roasters** after spotting a gap in the market for high-quality, ethically sourced coffee. Three years on and the London-based business now sells its award-winning coffee to high-street chains such as Sainsbury's and turns over £2 million a year

What we did

Research the market for ethical products

"During the early 1990s I worked as an optician and Steven worked as an immunologist, both in America. During this time we became increasingly passionate about coffee and the way it was being produced around the world. We spent much of our spare time researching coffee and looking for related business ideas. And as our interest grew and we travelled around we witnessed first-hand the devastation being suffered by coffee growers as a result of the record low in the price of world coffee. Our observations made us realise two things. First, we wanted to make a positive contribution to the growers' situation. Second, there is a voracious appetite among coffee-lovers for high quality, ethically produced coffee."

Create a clear ethical strategy

"So when we started Union Coffee Roasters we knew that importing ethically wasn't a highbrow aspiration - it was a necessity. In order to sell premium coffee in the long-term we have to ensure its production is sustainable. And developing ethical partnerships with our coffee producers is one of the ways we've ensured this."

Help our suppliers to help us

"Through these links we've helped to educate our suppliers about improving their quality control and crop processing. We've also helped support newly created co-operatives made up of smallholder growers in some of our coffee-producing regions."

"By transferring this knowledge to farmers this enables them to know the value of the coffee they sell so that they can achieve realistic prices. For us the advantage is confidence in the improved quality of the coffee."

"In return, the farmers are working towards adherence to social and international labour laws regarding the conditions of workers. By treating our producers fairly we're benefiting from a continually improving crop."

Respect the environment

"Another aspect is playing our part in making sure farmers understand the impact that

JEREMY'S TOP TIPS

- "If you trade as an ethical business don't let others treat you as a charity - above all you are a business."
- "Get practical advice on trading ethically from the Ethical Trading Initiative website."
- "Don't exploit consumers' goodwill by promoting your business as ethical unless it really is from top to bottom - people will see through it otherwise."



growing coffee crops has on the environment. For example, systems have been installed to conserve water usage and minimise soil erosion, plus eliminate water pollution by creating filtration methods. In turn, this has guaranteed that we continue to import some of the highest-grade quality in the world.

“Some of our suppliers have created purpose-built coffee washing stations which means the farmers can work together as small collectives. By operating in this way, not only is quality and consistency improved but it also allows external inspections to monitor water quality and thereby reduce pollution. All together, this fuels a virtuous cycle of improving coffee quality for us and a better price for the farmers.”

What I'd do differently

Realised the commercial potential of an ethical business earlier

“Perhaps we could have started the business earlier than we did to capitalise on the demand for ethical products. We didn't fully appreciate that consumers are prepared to pay a premium for higher quality, ethical products.”



Find out more:

Ethical trading

businesslink.gov.uk/ethicaltrading

Here's how I planned an exit strategy

Simon Dunn set up **Product Chain**, a manufacturers' agent that builds brands for fast-moving consumer goods and sells the products on to retail clients, in 1988. He's building a five-year exit strategy and plans to sell the business to members of his team. Here's how he is putting everything into place.

What I did

Assess the options

"I'm 52-years-old now and want to exit by the time I'm 57 or 58, maybe retaining some part-time role for a couple of years afterwards. I've looked at all the options and selling to key management seems to be the best choice.

"A trade sale doesn't really appeal as we're doing something quite specialist and there isn't an obvious buyer. I thought about bringing in family, but I'm not that keen and neither are they.

"I also looked at floating the company on the Alternative Investment Market (AIM) - the AIM is a market for smaller companies to issue and trade shares on the London Stock Exchange - but

estimated that it would cost around £300,000 and that cash is much better retained on our balance sheet."

Get the right people into place

"Our sales director, Charles Foden, has been with the business for 12 years and I believe he should inherit the benefits of what we've all done together to drive the business forward. He's highly professional, has a BSc and an MBA and already owns 10 per cent of the business.

"We spend an increasing amount of time together now, so he can see the world as a business owner. We've also brought in an experienced financial manager to sharpen up our finances and smooth the path for Charles. We've already started discussions

about how we can handle the process in the most tax-efficient way."

SIMON'S TOP TIPS

- "Plan well ahead - you can't successfully exit a business and realise its value overnight. You must take a long-term view."
- "Take into account the invariable twists and turns - plan and forecast as much as you can, as accurately as you can, in the run-up to exit, but be prepared for circumstances to change."
- "Retain as much profit as possible and reinvest in the business - the more you reinvest in the business now, the greater the value will be on exit."

Sharpen the business

"We're getting more organised - for example, we've bought the freehold of our premises. We've also been consistently retaining profit in the business and strengthening the balance sheet. This is essential to create the value that the business deserves. The management team are



“I’M 52-YEARS-OLD NOW AND WANT TO EXIT BY THE TIME I’M 57 OR 58, MAYBE RETAINING SOME PART-TIME ROLE FOR A COUPLE OF YEARS AFTERWARDS. I’VE LOOKED AT ALL THE OPTIONS AND SELLING TO KEY MANAGEMENT SEEMS TO BE THE BEST CHOICE.”

talking regularly and more formally about succession.

“We’re looking at where we expect the business to be in five years’ time, the kind of people we want to bring in and what we want them to achieve. When the day comes, Charles may want staff to buy into the business too - it’s too early to be definite, but it’s certainly something in both our minds.”

What I’d do differently

Not take on a partner

“Having a partner in the business held me back for more than 10 years. I believe we could have taken the business even further in that time if we weren’t dealing with personality issues and different ideas about how to develop the business. Plus it took a lot of money to dismantle that could have been retained in the business to boost its value.”



Find out more:

Consider your exit strategy when starting up

**[businesslink.gov.uk/
considerexitstrategy](https://businesslink.gov.uk/considerexitstrategy)**

If you've ever wished you could tap into what other businesses already know, this book is for you. It brings together 21 of the best case studies on the Business Link website. Each one features a real business owner or manager, speaking in their own words, about how they make a success of everyday challenges and strategic decisions.

There are 100 more case studies at **businesslink.gov.uk/casestudies**, and the website contains a wealth of other guidance: punchy, practical advice about how to run your business.



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