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Business lessons from my children

EDITOR'S LETTER



For anyone feeling the current state of business affairs is enough to keep you indoors, then a day spent in inspiring company at the National Enterprise Network's annual conference may have been just the tonic. As negative headlines rained down outside, the entrepreneurs and SME owners inside the Barclays tower at Canary Wharf were determined to be positive. "Of course, we are facing some problems," they seemed to say, "but we will take them on and overcome them – how do you think we got to where we are in the first place?"

First to add to our resolve was Will Hobbs, Chief Investment Officer at Barclays Wealth Management, who reminded us of the quotation from economist Joel Mokyr who said: "Technological progress requires tolerance of the unfamiliar and eccentric."

Absolutely. Without talking about eggs and omelettes, we all know that behind every successful businessperson is someone who is prepared to upset some people along the way. As Apple's Steve Jobs said: "What separates most successful entrepreneurs from the non-successful ones is pure perseverance."

Alex Till, chair of the National Enterprise Network, had no doubt where he thought the government's priorities should lie. "There is no planning around enterprise," he said with barely concealed annoyance. "We need to work out how to get enterprise into government thinking."

Quite right, Alex. Let's hope someone high up in government is reading this magazine – if they are, they will be in no doubt that the SME sector is brimming with ideas and energy.

Happy reading!

David Evans
editor, SME magazine



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← Happy workplaces have lower levels of absence because people are engaged and engagement strengthens well-being

My Six Steps to Workplace Happiness is a guide to how to keep teams engaged and happy in their job role:

1. Reward and Recognition

Everyone in an organisation should enjoy the rewards of success. If you're not earning a fair salary, no amount of recognition for a job well done will be enough to make you forget you're not being paid enough. Your pay scale has to meet expectations and encourage discretionary effort. To maximise employees' performance and pay it is important to recognise that you need the following three things from those managing:

- Leadership — which is consistent, and shows a sincere interest in the team.
- Managers — who are consistent, impartial and honest and willing to provide appropriate feedback and coaching.
- Goals — the goals of both business and individuals should be clearly and explicitly understood and expressed and whenever possible set by those delivering so that they are truly owned.

2. Information Sharing

Not sharing information makes employees feel an unimportant part of the business. Engagement and commitment can be eroded by this. If you are a business that wants to get the best out of individuals on the team, openness is key. Employees at all levels need a genuine overview of what is going on in their area and elsewhere. If employees understand the business, its strategy, how it is doing and who are the customers and competitors, they will make it stronger.

3. Empowerment

The aim of any business must surely be to make their employees feel empowered and this means making them a key part of the decision-making process, listening to their ideas and integrating their suggestions to build and refine your strategy. Our personal experiences inevitably bring us all to different solutions and ways of

achieving them, but only by listening to all views can the best outcome be reached. Nobody is perfect but a team can be.

4. Wellbeing

Health and well-being can be broken down into three key areas: physical, emotional and financial. By addressing all three, employers will improve engagement levels and productivity. Happy workplaces have lower levels of absence because people are engaged and engagement strengthens well-being. At the heart of well-being are relationships based on mutual trust and respect that managers have with their team members, and individuals have with one another, so they are able to proactively and re-actively spot and discuss any concerns they may have and get the timely help they need. Listening to employees and responding to their anxieties plays a crucial role, too.

5. Instilling Pride

Employees who love what they do and feel proud of where they work will speak openly and positively about it to colleagues, potential employees, customers and people in their community. When people ask that inevitable, getting-to-know-you question of 'where do you work', you'll hear the pleasure in their voice when they reply. Instilling such pride is not just about stirring speeches, sharing growth figures, or saying a few well-placed thank yous.

6. Job Satisfaction

There are many elements to feeling satisfied at work, but time and again, two key reasons are cited - personal development and the strength of your relationship with your line manager. We have nothing of greater value than our people. High levels of employee engagement is the key to unlock organisational success. Research shows that the two biggest drivers of satisfaction are respectful treatment and trust between employees and senior management. A poor relationship with your manager is often cited as the number one reason for leaving an organisation, no matter how great the brand. Forget all the perks, incentives, reviews and motivational tactics: treating people with humanity is what really counts. ■



My six steps to workplace happiness

By Lord Mark Price, Founder of WorkL For Business, former Trade Minister and former Managing Director of Waitrose

I've worked in business for over 40 years, as the former Managing Director of Waitrose as well as the former Minister for Trade. In this time, I've never seen managers have it so hard at work as they do now and it's all to do with the wellbeing of their teams. I founded WorkL For Business in 2017 and we published a report into the state of employee engagement globally, Lockdown Lessons, which revealed the impact the pandemic has had on those working in management.

Our report's data is taken from WorkL's free Happy at Work Test which has now

been taken by over 250,000 individuals and 23,000 organisations globally. The results show that, during the pandemic, management were tasked with managing their teams from afar without any training or support from the directors above them, well not until we all understood that it would be months until we were back in the office and then the support came, but in the guise of office desks and chairs for your home.

This disruption to managing a team took its toll and resulted in a drop of 3 per cent in the happiness of managers. This is compared with happiness in non-

managers increasing from 60 per cent to 69 per cent in the same period. After learning on-the-job how to manage from afar, managers were then met with the Great Resignation - when employees were made to return to the office resulting in them leaving for more flexible job roles. And this is ongoing; as more people are herded back to the office, they are on the look-out for new roles that give more flexibility than pre-pandemic. The result is that management is having to try to retain employees whilst at the same time recruit to fill the gaps - and it's really taking its toll on their happiness at work.

Here's what our data also reveals for managers:

- There has been a narrowing of happiness for management over the past two years scoring poorly for wellbeing risk, net promoter score and overall happiness.
- Those working in non-management saw their flight risk significantly decrease (-18 per cent), however management flight risk increased by a single point reflecting their decreasing happiness score during the pandemic.
- Confidence in management also fell overall from August 2021 to January 2022 reflecting management's decreasing happiness. This is important to measure as this directly impacts the whole team and ultimately, productivity and profitability. Research shows that happy and engaged employees drive 20 per cent improvement in profits, productivity and reduce employees' sick absence and staff turnover. So, keep your teams happy and you'll likely see success commercially.

Amazing ambassadors with a lot to shout about

We talk to the owners of 12 businesses across the country who have been helped by the Start Up Loans programme, which is now in its tenth year

WORDS: BY DANIEL EVANS

A Dragons' Den winner, a former Hollywood stunt double and a PhD graduate turned toymaker are among 12 business owners announced as Ambassadors for the Start Up Loans programme. The announcement comes as the programme celebrates its 10-year anniversary, having provided more than £900m in loans since 2012. The annual Start Up Loans Ambassadors programme,

"Some 40 per cent of recipients have been women and 21 per cent from minority ethnic backgrounds"

now in its seventh year, celebrates exceptional business owners who have followed their ambition of becoming their own boss after receiving support from the government-backed Start Up Loans programme. Start Up Loans was established as a £10m pilot scheme by Lord Young in 2012, in the shadow of the 2008 financial crisis. His vision was to enable more young people to achieve their dream

of setting up their own business, by providing access to affordable loans and expert support to those who might otherwise struggle to access funding.

Since then, the programme has delivered more than 97,000 loans to business owners across the UK, amounting to more than £900m of funding, while expanding to support entrepreneurs of all ages. 40 per cent of loan recipients have been women and 21 per cent people from minority ethnic backgrounds. 40 per cent of recipients have been aged 18-30, reflecting the scheme's continued support for the next generation of UK business owners. In 2022, the programme was expanded to make first loans available to businesses that have been trading for up to three years, and second loans to businesses that have been trading for up to five years.

Alice Wu – Peace and Pure, Cambridge, East of England



Alice Wu, founder of Peace and Pure, took out her loan of £19,000 in 2020 to start the business. During struggles with her own mental health, she discovered

the importance of emotional wellbeing in relation to beauty, plus the benefits of mindfulness and self-love. She saw the need to create a beauty brand that was truly loving and supportive of the journey to beauty and wellness. Alice said: "More than simply a task, I believe your skincare routine has the power to be a healing and restorative ritual. I created my brand to form an essential part of that ritual."



Emma Airley and Sebastian Bacewicz – Pastéis Lisboa, Glasgow, Scotland

In April 2022, Emma and Sebastian took out a loan of £20,000 each to set up Pastéis Lisboa, Scotland's first specialist Pastel de Nata bakery, in Glasgow. The couple were inspired by the new-wave of modern pastelarias in Portugal and, having fallen in love with the delicacy themselves, the pair sought out the very best Pastel de Nata in Lisbon and persuaded the fifth-generation Portuguese patisserie chef to teach them his secrets and help them train their bakery team. Emma said: "The loans Sebastian and I received were instrumental in getting the business off the ground – after five years of meticulous planning and training, we used the funding to help us secure premises in the prime location we needed to launch from and towards our fit-out and equipment costs."

Emma Hamlett – Collected, Durham, North East

Emma Hamlett took out a £25,000 loan to open Collected, an independent bookshop specialising in work written by women. Describing herself as a "Covid cliché", Emma exited stage left from her career as a museum curator in 2020 and began to explore what else might be possible, realising in the process that, for her, there was no getting away from books. "At Collected, we simply love books and reading – and talking books and reading. We're also passionate about championing work by female writers, much of which – through imbalance and bias in publishing, literary journalism, and prize giving – has historically been overshadowed and overlooked." ▶



Nirmla Warwood – Thatch and Stone, Walsall, West Midlands

Nirmla Warwood took out a loan of £25,000 in 2020 to set up interior accessories company Thatch & Stone. The success of her business has been down to getting funding support, understanding the products, marketing, a good team and long hours. Nirmla said: “The loan application was dealt with by the same person from beginning to end with mentoring offered on completion. It’s very busy, but it’s also great fun. I would encourage anyone who’s thinking of setting up their own business and becoming their own boss to explore the possibilities the Start Up Loans scheme has to offer.”



Matt Thomas and Joby Barnard – Dryad, Abergavenny, Wales

Matt, a triathlete, and Joby, a designer with a passion for running, took out a loan of £25,000 to launch Dryad, an outdoor sportswear company for women based in Wales. At the heart of their

venture is the desire to make the best quality and sustainable clothing while fighting for better equality in sport. Matt and Joby said: “We wanted to build a brand that has integrity, is fair and transparent in its goals and enables us to provide opportunities and support women to participate in all sports at all levels.”

Joezy Uweh and Amy White – Naturawell, Lincoln, East Midlands

Joezy and his business partner Amy took out funding from Start Up Loans to set up Naturawell in 2021, a plant-based bar and restaurant serving healthy food and drinks. The business offers a range of products including freshly prepared

salad bowls, fresh juices, pancakes, toasties, bagels and smoothie bowls. All of Naturawell’s food and drinks are made from scratch so freshness is always on the table. The couple said: “Serving healthy food that is sustainable is at the heart of what we do, and our goal is to make eating plant-based food the norm in modern society.”



Claudia Mariza Rosado e Costa – Mama Claudia, Craigavon, Northern Ireland

In 2018, Claudia took out a loan of £3,300 to launch Mama Claudia, a range of baby and children’s products. When Claudia’s first daughter was born, she found it difficult to find good quality, reasonably priced essentials. So, when she found out she was going to have a second child, she took matters into her own hands, and Mama Claudia was born. Claudia said: “I create quality baby essentials at great value because I believe that all parents deserve great products at a price that won’t break the bank. I am so proud of how far the business has come and I urge any mums who are interested in entrepreneurship to take the plunge.”



Chantal Charles-Smith – Laughing Llama Coffee and Bistro, York, Yorkshire & The Humber

Chantal Charles-Smith took out a £25,000 loan in April 2021 to launch Laughing Llama Coffee and Bistro, a family-friendly destination in York. Chantal said: “As a parent of two

children, I knew first-hand the difficulty of finding somewhere to take kids that is family friendly and serves good quality coffee. As such, I wanted my coffee shop to be a haven that both kids and adults would love, with a designated children’s area on the first floor with toys to keep children entertained and busy whilst parents get a welcomed break.”

Hannah Saunders – Toddle Born Wild, Newent, South West



Hannah Saunders took out a £14,700 loan in 2020 to launch Toddle Born Wild, a natural vegan children skincare brand. “I was in the RAF for nine years and loved the travel and adventure. I then became a mum in 2014 and couldn’t find products that would protect my son’s skin when he came on adventures with me,” said Hannah. Spotting a gap in the market, Hannah left the RAF in 2017 and spent the next 18 months developing the company’s products – mixing ingredients such as jojoba oil and beeswax in her kitchen. She later worked with biochemists and manufacturers to perfect the products; she decided to ethically source the ingredients from British manufacturers to ensure each ingredient is traceable. All the products are made in the UK and are Peta-approved as vegan and cruelty-free. ▶

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Chloe Bruce – Chloe Bruce Academy, Woking, South East

Chloe Bruce took out a loan of £12,500 to launch the Chloe Bruce Academy in 2020, a business offering virtual martial arts classes and tutorials. The academy, which offers on-demand and live classes, has taught hundreds of people, ranging from beginners to professionals, including actors learning new skills for action roles. Before launching her business, Chloe was a stunt double for some of Hollywood's leading actors such as Zoe Saldana in Guardians of the Galaxy and Daisy Ridley in Star Wars. However, after having had her fair share of being thrown around on wires and fighting some of Hollywood's biggest baddies, she decided to take on a new type of challenge – launching her own business. Chloe said: "As a mum of two juggling work and childcare, having an online business has been essential in ensuring I maintain a work-life balance."



Dhruvin Patel – Ocushield, Old Street, London

Dhruvin Patel, founder of Ocushield, took out his loan of £500 via Virgin Startup in 2015. The screen protectors support healthy eye function, as people increasingly rely on backlit screens and digital devices. Dhruvin said: "Before starting Ocushield, I was studying to become an optometrist and working at a high street optician. I produced a research

paper looking at how blue light can be detrimental to people's health. I began trading at university and Ocushield turned over £55,000 in its first year. I secured a deal with Peter Jones and Tej Lalvani from Dragons' Den, which I had to turn down as the business had grown and in turn raised £1m from private investors. The business is now worth £6.6m and we produce products like eye supplements and eye masks too."

Selina Ellis-Gray – Hellion Toys, Clitheroe, North West



Selina Ellis-Gray, founder of Hellion Toys, took out her loan in 2018 which she used to set up a workshop with a self-build CNC kit. Since

launching she has been able to move into a bigger workshop and purchased two additional pieces of equipment after taking out a second loan in 2021. In addition to producing toys, she undertakes illustrations, design commissions and now partners with companies to create interactive signage for wildlife parks and looks to expand into interiors. Selina said: "After spending years in academia as a digital designer, I decided to use the knowledge I had gained to set up a designer-maker space. The origins of Hellion Toys lies in the research I undertook during my PhD and weaving together a passion for playful, educational, and sustainably focused design."

Closing the skills gap for small businesses

Expert guidance from the Federation of Small Businesses on how to recruit, train and upskill your workforce



Hiring the right people and developing skills in your small business is challenging as the UK faces skills gaps and a labour shortage. In fact, recent research by the Federation of Small Businesses (FSB) found that 78% of small businesses have experienced recruitment difficulties in the last 12 months. To support small businesses to build a skilled team, FSB has launched an online skills hub with a range of free resources from industry experts. From busting apprenticeship myths to help with the recruitment process, it features guidance from FSB as well as leading organisations such as the Department of Education, UCAS, The Careers & Enterprise Company, and more.

Engaging with education providers

Only 17% of small firms in England reported engaging with schools or colleges, yet this can be an invaluable way of shaping skills to meet the needs of employers. “Education and skills are vital to all small businesses. People are at the heart of the business. You need to make sure you’ve got the right staff in the right place at the right time,” says Hollie Whittles, FSB National Skills Champion. For small businesses wanting to give their business a boost by working with the next generation of talent, understanding the different opportunities out there can be complex. FSB partnered with the Gatsby Foundation, alongside other business organisations, to produce a guide to help business owners navigate the education landscape and play a part in shaping young people’s skills.

Inspiring the next generation to develop cutting-edge skills is close to Joana Hesse’s heart, who runs award-winning multicultural hair salon, Joana’s Hair Elite. “When I first started my business, I was able to train in one of the big colleges in Manchester to qualify in African-Caribbean hairdressing. That really inspired me, and I thought, I need to help other young people to get into the industry,” says Joana. The Manchester-

→ Jane Walton, FSB’s Education and Childcare Policy Chair



based salon owner works with local education providers in the North West as a certified lecturer and takes up training seminars at various colleges. Joana uses her years of experience to support young people to complete work experience placements and apprenticeships in her business.

But it’s not just developing skills for future employment that is crucial – entrepreneurship education can provide students with alternative perspectives on their career opportunities and support the next generation of entrepreneurs. “You can make a difference by offering to go into schools and speak to students, to inform, inspire and connect them,” says Jane Walton, FSB Education and Childcare Policy Chair. The social entrepreneur explains that it’s a chance to understand the needs of young people, spot talent, and make a difference in local communities.

Work-based learning opportunities

From school leavers to career changers, apprenticeships allow students to learn on-the-job and develop practical skills in the workplace. Becky Toal, managing director and founder of Crowberry Consulting, has employed apprentices of all levels for over 10 years in areas including marketing and project management. The



sustainability expert shared her advice for other small businesses looking at apprenticeships during a webinar on FSB’s hub. “With apprenticeships, you think of hairdressing or car mechanics, but it was eye-opening at the start of my journey to discover all the fields you can do an apprenticeship in,” says Becky, who is now part of the North West Apprenticeship Ambassador Network.

Changing the narrative around apprenticeships is a challenge that Richard Kirk, CEO and founder of Workplus, is hoping to change. The Belfast-based company is growing the apprenticeship culture in Northern Ireland, where he explains only 9% of micro-businesses currently employ an apprentice. He’s helped over 300 people into apprenticeships in sectors such as manufacturing, construction and software development. “Apprenticeships are more than training opportunities with a bit of work experience - it’s a job from the outset. The employer also gets to draw people in from a wider talent pool,” says Richard.

As well as entering the workforce, gaining new skills with an apprenticeship can also be a route into running your own business, as Simon Girdlestone discovered. “I think it’s very important that people have a good, solid technical background in what they’re trying to do,” says Simon. He started Solinatra, a manufacturer of a natural alternative to plastic, after his engineering apprenticeship at a local college led him to working in the plastic packaging industry. He spotted a gap in the market for a sustainable solution to plastic pollution.

Apprenticeships aren’t the only option for businesses looking to get involved with work-based learning. T Levels, a two-year course for 16–19-year-olds in England with an industry placement, aim to develop skills and technical

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From school leavers to career changers, apprenticeships allow students to develop practical skills in the workplace

knowledge. T Levels Ambassador Hugh McPhillips, a consultant specialising in fabrication and welder training, is passionate about engaging with local colleges and students to ensure vital skills are passed on to the next generation. "We need a well-educated workforce which is adaptable and can take on the challenges of the future. Lots of small companies might only take on one or two people to train up, but it's imperative that the individual fits into the environment and has a good experience," says Hugh.

Upskilling small businesses

Training is sometimes perceived as an expensive 'nice-to-have' by businesses, especially those with tight resource constraints. Training and development are often de-prioritised when planning how to grow a business. However, as

well as looking to the next generation of talent, retraining and upskilling existing employees can help to bridge skills gaps in a business. "The skills of business owners and their staff are central to running and growing a successful business. Aside from the more tangible benefits of learning new skills, such as the development of new products or technologies, training improves business



↑ Richard Kirk, CEO and founder of Workplus, left, and Simon Girdlestone from Solinatra

competitiveness, efficiency and longer-term effectiveness," says Tina McKenzie, FSB Chair, Policy and Advocacy.

Whether it's Continuous Professional Development (CPD) or health and safety compliance courses, businesses offering training often see increased employee engagement, improved retention and a competitive edge in the market. Putting a plan in place to identify training needs and skills gaps to operate efficiently and grow is the first step to finding the right training opportunities. FSB has recently launched a new training offer to support its members, bringing small businesses and the self-employed hundreds of discounted certified courses covering a range of sectors.

For small businesses looking to recruit, train and upskill their workforce, FSB's skills hub has free resources, downloadable guides and small business stories. ■

Visit fsb.org.uk/skills today

Your expert step-by-step guide to digitisation

The experts at Sage look at the challenges of creating a tax system fit for the 21st century

If you are a self-employed individual, someone with property rental income, or registered for VAT, chances are that you have already heard about Making Tax Digital or, MTD, at least once. Whether it was during a conversation with your accountant, with a fellow entrepreneur, or by stumbling across articles on news outlets, Making Tax Digital has been a hot topic for a while now. But in case you are still struggling to understand why, how, and when changes are being implemented, here is an overview.

Making Tax Digital is the biggest legislation change to the UK tax system in a generation. It was created with the objective of making it easier for individuals and businesses to get their tax right and keep on top of their affairs. HMRC's aim is to become one of the most digitally advanced tax administrations in the world. Making Tax Digital is making important changes to the way the tax system works. It aims to transform tax administration so that it is more effective, more efficient, and easier for taxpayers to get their tax right.

By mandating regular digital record-keeping and reporting to HMRC,

MTD will help provide a better view of cashflow and tax owed. This will save small businesses time and money to invest back into their business and reduce tax inaccuracies. Additionally, MTD is also expected to help close HMRC's tax gap. The UK government estimates that £12.3bn of VAT was not paid in 2019/20 when it should have been.

“Making Tax Digital is the biggest legislation change to the UK tax system in a generation”

Back in 2015 when it was originally announced, the intention was to digitise all kinds of tax submissions by 2020. However, the initial timeline was revised, and the programme really started with the first mandate back in April 2019 for VAT-registered businesses with taxable turnover over £85,000.

MTD for VAT

Last year, on 1 April 2022, the remaining VAT-registered businesses were required to comply with MTD as well. This impacted those businesses who are

voluntarily registered, making less than £85,000 of taxable turnover annually.

To be compliant with MTD for VAT, businesses must keep records in digital form and file their VAT Returns using MTD-compatible software.

Whilst remaining VAT-registered businesses were mandated to comply with MTD from April last year, HMRC had continued to allow businesses to file through its HMRC online tax accounts, which is not permitted under MTD.

It is important to note that since 1 November 2022, businesses have not been able to use their existing VAT online account to file their quarterly or monthly VAT returns. This means that all VAT-registered businesses must now sign up for Making Tax Digital (MTD) and use MTD-compatible software to keep all VAT records and file their VAT returns. Failing to do so might result in receiving “Filing Through the Incorrect Channel” penalties.

It is also worth noting that a new penalty system has been introduced for VAT periods which began on 1 January 2023. This is on a point-based system that

varies depending on your submission frequency. Once a penalty threshold is reached, you will receive a £200 penalty and a further £200 penalty for each subsequent late submission.

It seems like a lot to process but it's easy to remember with these 3 steps:

- Step 1.** Choose MTD-compatible software like Sage Accounting.
- Step 2.** Check the VAT configurations in your software ahead of authentication with HMRC.
- Step 3.** Keep digital records for all current and future VAT returns.

HMRC has been automatically signing up all remaining VAT-registered businesses to MTD from 24 November 2022, removing a step in the old process and, hopefully, facilitating the adoption of the new one.

You can apply for an exemption if it's not reasonable or practical for you to use computers, software, or the internet to follow Making Tax Digital for VAT rules. HMRC will assess each application on a case-by-case basis.

MTD for ITSA

On 19 December 2022, the Government announced that Making Tax Digital for Income Tax Self Assessment, which was due to happen in April 2024, has now been postponed. The mandate is now set to happen in April 2026 for those with self-employment or property rental income above £50,000. Then, in April 2027, those with the same categories of income above £30,000 will be required to follow the new rules. General partnerships, originally set to be mandated in April 2025, will now be impacted at a later date, to be confirmed.

This is the mandate that will affect the highest number of individuals, whether they submit their self-assessment tax returns by themselves or by an agent like an accountant.

The premise is still the same as Making Tax Digital for VAT: the taxpayer will need to keep digital records and submit their returns digitally, direct to HMRC's systems. However, whilst the frequency of

ABOUT SAGE: KNOCKING DOWN BARRIERS

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VAT Returns was not affected by the digitisation of the process, we can't say the same about the changes for Income Tax. This is because the taxpayer will be required to:

- **Keep digital records** of all business income and expenses, categorised in line with tax reporting.
- **Periodic updates:** - update HMRC at least quarterly with a summary of business income and expenses for each business. This is very much a new requirement of taxpayers.
- **End-of-Period Statement:** - at the end of the tax year, finalise the taxable profit or loss for the business, adjustments for allowances and reliefs via an End of Period Statement.
- **Final Declaration:** - bring together all data, including business and non-business, needed to finalise their tax position and reach the final tax liability.

Although it seems like it's a long time until the mandate, there are benefits to adopting digital accounting now, which includes:

1. Reducing space for inaccuracies - fully compatible software powers a lot of automated processes which decreases the chance of human error and helps automatically identify inconsistencies within records.
2. Saving time - embedding fully compatible software into day-to-day

operations found that tasks can be completed, such as invoicing and expenses “on the go” rather than as a single big task at the end of the month.

3. Greater insight and cashflow - software can offer clear, real-time financial clarity which isn't always possible from a bespoke spreadsheet. This can help you plan more effectively and anticipate challenges.

MTD for Corporation Tax

All the details of Making Tax Digital for Corporation Tax are yet to be announced but the parameters of the consultation with the public considered that MTD for Corporation Tax rules will require that mandated businesses must:

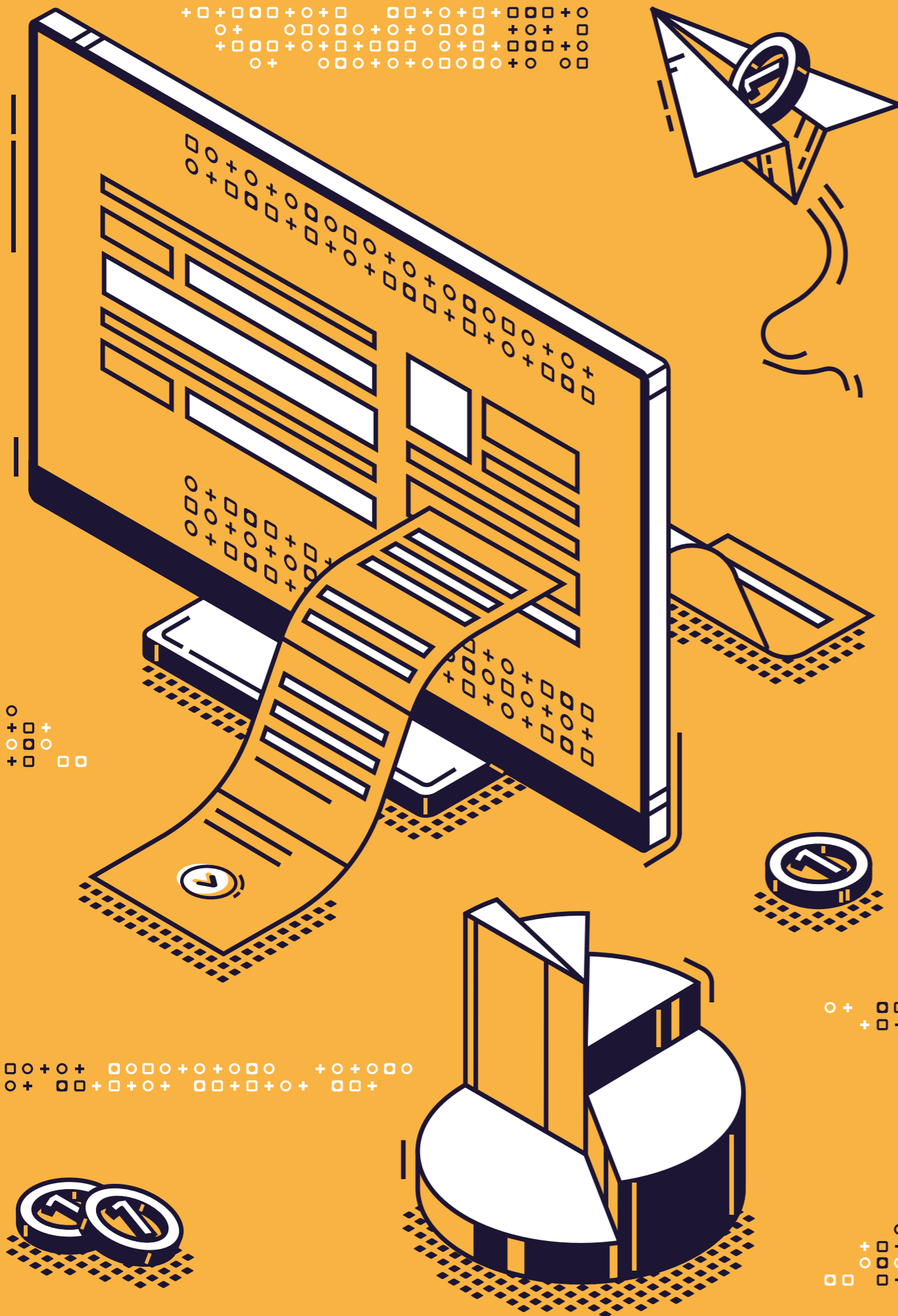
- Maintain their records (e.g., records of income and expenditure) digitally
- Use MTD-compatible software to provide regular (quarterly) summary updates of their income and expenditure to HMRC
- Provide an annual CT return using MTD-compatible software

We don't yet know when MTD for Corporation Tax will come into effect but HMRC has said that it will be from April 2026 at the earliest. It is expected that most businesses impacted by it will also have been affected by the VAT mandate, so will be more acquainted with using software to keep digital records and to submit information digitally, direct to HMRC.

Conclusion

Creating a tax system fit for a 21st-century digital economy lays the foundations for further digitisation of small businesses. The Confederation of British Industry estimates that £100bn could be unlocked by the UK economy by increasing business adoption of key technologies and management practices, benefitting both businesses and the tax system. Using MTD-compatible accounting software is a key part of this, whether you decide to do it all by yourself or in collaboration with the services of an accountant. ■

[sage.com/uk/makingtaxdigital](https://www.sage.com/uk/makingtaxdigital)



The new way to file your VAT returns: get ready for Making Tax Digital now

This article has been exclusively written and provided by HMRC

The way businesses file Value Added Tax (VAT) returns has changed. HM Revenue and Customs (HMRC) is reminding businesses that they should now be signed up to Making Tax Digital (MTD) for VAT, keeping digital business records and filing all VAT returns using MTD-compatible software – that includes small businesses like yours. By law all VAT-registered businesses must now sign up to MTD and use compatible software to keep their VAT records and file their returns. The aim is to help businesses get their tax right first time, boost productivity, and support the UK to go digital. Over 1.79 million businesses are already benefiting from the service.

Since 1 November, businesses who file their VAT returns on a quarterly and monthly basis have not been able to submit them using their existing

VAT online account, unless HMRC has agreed they are exempt from MTD. HMRC has written to businesses reminding them of the change.

If businesses do not file their VAT returns through MTD, they may have to pay a penalty. Even if a business

currently keeps digital records, they must check their software is MTD compatible and sign up for MTD before filing their next return.

To comply with MTD for VAT, businesses or an agent acting on behalf of a business who are already VAT-registered need to follow four simple steps to sign up:

- Choose MTD-compatible software. There are free options available – you'll find a list of software compatible with MTD for VAT at the GOV.UK website.
- Give your software permission to work with MTD. You can find out how to manage permissions for tax software at the same website.
- Keep digital records for current and future VAT returns. Check what records you need to keep.
- Sign up to MTD.

More than 19 million returns have been successfully submitted through MTD so far, with businesses reporting that ▶



Sage

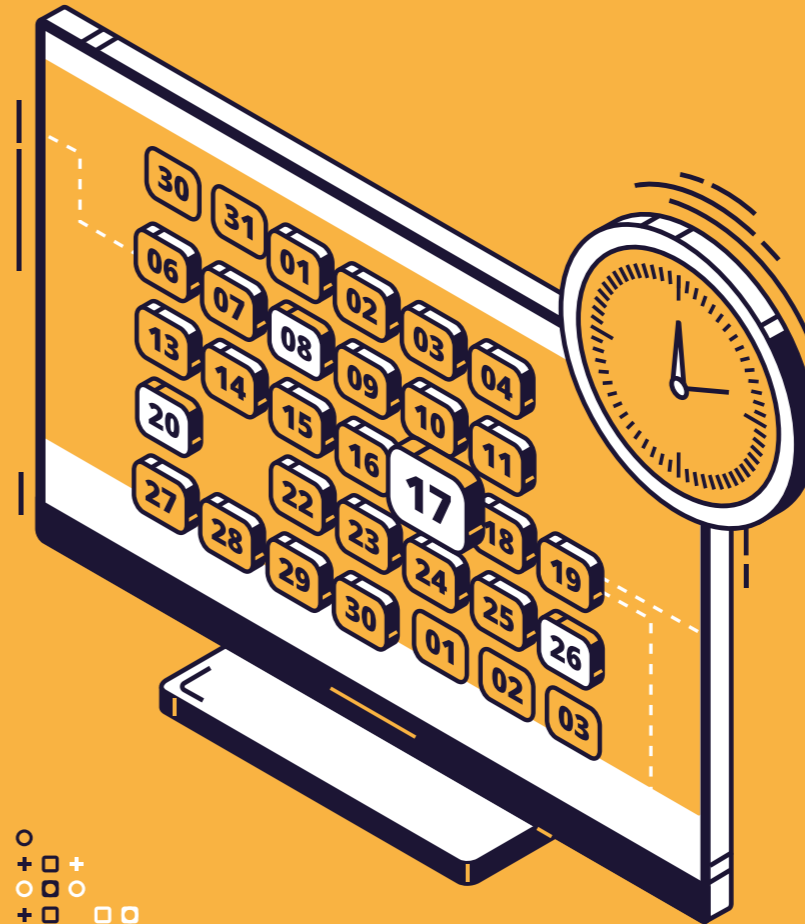
helping business flow



Stress-free Making Tax Digital for VAT software

The way you file VAT returns has changed for MTD. Get started with HMRC-recognised software, then directly submit your quarterly and monthly returns. Perfect for sole traders and small business owners.

Find out more at sage.com/uk/makingtaxdigital



“If businesses do not file their VAT returns through MTD, they may have to pay a penalty”

MTD has increased their confidence in managing their tax affairs and using technology.

Independent research has shown that using MTD helps businesses reduce errors and is making it faster for businesses to prepare and submit returns. A recent annual survey including small businesses found that eight-in-ten already use record keeping software on a computer, and just over six-in-ten said digital record keeping makes preparing and submitting a tax return easier. Case studies of those benefitting from MTD, which also include small businesses, can be found at [GOV.UK](https://gov.uk).

If you're already exempt from filing VAT returns online or if you or your business are subject to an insolvency procedure, you don't need to do this. There may be other

reasons why it's not practical for you to meet MTD requirements, in which case you can apply for an exemption. HMRC considers each application on a case-by-case basis. HMRC will consider each application on a case-by-case basis.

If you are a new business that is not yet registered for VAT, you will automatically be signed up for MTD while registering for VAT through HMRC's new VAT Registration Service (VRS). Registering via this online service not only means a faster VAT registration and improved security, but also helps new businesses have a better customer experience and put themselves in a position to be fully compliant with MTD requirements from Day 1 – although you will still need to get the right software. ■

WHAT YOU NEED TO KNOW ABOUT SIGNING UP:

- Businesses must sign up at least 5 days after their last non-MTD VAT return deadline date, and no less than 7 days before their first MTD VAT return deadline date to avoid paying for their VAT twice.
- Where a business chooses to use bridging software (a type of MTD compatible software which extracts information from a business's spreadsheet or legacy software and then submits it to HMRC in a way which is compliant with MTD requirements) digital links must be in place to ensure that records are kept digitally as information is transferred between different platforms.
- Businesses must keep digital records from their first VAT accounting period that starts on or after 1 April 2022.
- For non-VAT registered businesses, register through the VAT Registration Service (VRS) and you will automatically be signed up for MTD.

WHAT SUPPORT IS AVAILABLE FOR BUSINESSES?

- Businesses can register themselves or ask their agent or accountant to support them in signing up to MTD and choosing the right software, although businesses will remain responsible for meeting their VAT obligations.
- A range of accessible help is available online through [GOV.UK](https://gov.uk), webinars and videos as well as through HMRC's Extra Support Service.
- Thousands of people have also benefitted from HMRC's live webinars, which offer support on filing digitally and explain how it can help businesses.

WHAT FINANCIAL HELP IS AVAILABLE?

- This is a challenging time for many businesses. There are a range of no cost and low-cost software options available and businesses may be able to get a discount on the costs of buying software through the Help To Grow: Digital scheme, which offers 50% off compatible digital accounting software.

More information about how to avoid being charged a penalty can be found on [GOV.UK](https://gov.uk)

Facing the challenge of sustainability

Sustainability can be a competitive advantage for SMEs, but they have to work with customers and partners to leverage this

WORDS: BY MALCOLM HARRISON, GROUP CEO, CIPS

The challenge of addressing sustainability concerns is the defining issue of our time, and one which touches every person, business, and community on the planet. So far, the conversation has mostly focused on what large corporations should do to reduce their environmental impact. However, this pressure will soon be pushed down the supply chain to SMEs. With both governments and consumers looking for businesses to do more to tackle climate change, it is crucial SMEs act on sustainability concerns to ensure they are ready for the challenges ahead. For many businesses, sustainability can be seen as intimidating, with business owners worrying about the potential costs involved and the idea of having to find new ways of doing things in an already challenging business environment. But in times of great change there are also great opportunities, and the SMEs that embrace sustainability and work with their clients and suppliers to reduce their environmental impact can give themselves a competitive advantage in the marketplace. Not only that, implementing sustainability initiatives also just makes good business sense by increasing cost efficiencies, or mitigating against soaring energy prices through reducing consumption.

Environmental degradation is probably the biggest issue of our time, and large corporates cannot tackle the sustainability crisis on their own. SMEs make up 99.9% of all UK businesses, so even small changes, such as using more environmentally friendly packaging or reducing waste, can have a big impact when rolled out on scale across the business community.

However, how this is achieved will mean something different to each business. Company owners should be looking at which sustainability imperatives are most aligned to their own business values, as well as meeting the requirements of regulation, their customers and their investors, and this depends on their sector too. For example, service-



based organisations may be more likely to focus on social value and human rights whilst manufacturers focus on reducing carbon or eliminating waste to land-fill.

Companies must be savvy and realistic about what they can actually influence. SMEs would have to question how much they could contribute to reducing their scope three emissions which is predominantly the responsibility of larger businesses with complex supply chains. Perhaps better to focus and learn about scope one and

“The level of regulation around sustainability is only likely to increase in the years ahead”

two which are more immediately under an organisation’s control by managing energy consumption or moving to electric vehicle use.

Beyond the direct impact of environmental protection, there will soon be more requirements for SMEs to report on their impact on the environment. This may feel onerous to a smaller operation but data is a key tool for businesses looking to improve on their sustainability credentials. It allows companies and the wider business community to identify where the biggest issues are

↑ **Environmental degradation is probably the biggest issue of our time**

and to track the impact of improvement initiatives.

Non-financial reporting (NFR) is the regulatory tool being used to report and track environmental data. NFR rules require UK businesses to measure their own emissions, the emissions which occur in their supply chain, and the emissions created by their products. These rules are for the moment aimed at large businesses, and due to the urgency of the need to track emissions throughout the supply chain, NFR requirements are already included in many contracts.

So, SMEs need to be ready for this additional layer of compliance. In the first instance, they should start mapping out their own environmental impact if they haven’t yet done so and put plans in place to ensure they can produce environmental data accurately and in a timely fashion. One way of doing this is to utilise digital systems to do the hard work. The level of regulation around sustainability is only likely to increase in the years ahead, so it is an imperative that procurement teams have the necessary systems and skills to manage the data they will have to provide. Acquiring skills in data analytics, or providing training to ►



← Chris Skidmore signs legislation to commit the UK to a legally binding target of net zero emissions by 2050

practices if it still waiting for the money it is owed by a larger customer? Each buyer should pay all their suppliers promptly and on time to support the drive towards sustainability in SMEs. SMEs can influence this by asking their corporate clients to pay on time and even suggest clauses in contracts to reinforce this behaviour.

Here's another perspective. With their commitments to becoming net zero, many larger businesses will be looking to work with environmentally friendly suppliers, and so the SMEs that embrace sustainable initiatives now and show they are adept at tracking environmental data will become more appealing to larger businesses who are under pressure to

“Working collaboratively is a key part of protecting our planet and we must take action now”

meet environmental commitments. As well as potential customers, investors are also increasingly factoring sustainability into their investment decisions. Demonstrating forward-thinking in this area can make your business more attractive for inward investment as the ESG investment trend continues to grow.

As well as the positives of attracting new customers and investors, there are reputational risks which come from not acting now on sustainability. Consumers are demanding greater transparency around sustainability, and there is increased scepticism around environmental claims made without the necessary evidence to support them.



→ The CMA will find out whether customers are being duped into paying more for 'sustainable' fashion products

At the end of last year, the Competition and Markets Authority (CMA) announced a new crackdown on 'greenwashing' and false environmental claims. Then earlier this year the CMA singled out the fashion industry as the first sector it will look at to explore whether customers are being duped into paying more for 'sustainable' products that in fact are not what they seem. The CMA has said it will start naming and shaming businesses who are particularly guilty of this and will target other sectors in due course.

While the focus will likely be on larger organisations, the reputational damage for an SME seen to be misleading its customers on sustainability could be severe. Data again plays a key role here. Businesses should look to collect environmental data from suppliers and compare this to regulatory benchmarks to ensure what their suppliers are doing and reporting is realistic. SMEs should ensure that the claims they make in marketing and on packaging are backed up by actions in their supply chains and data to evidence the impacts.

Conclusion

The size and scale of the sustainability challenge can often lead to SMEs delaying action to instead focus on more manageable, immediate problems. However, now is not the time to delay – further regulations and pressure on sustainability are round the corner. SMEs focusing on sustainability can future proof their business and stay one step ahead of competitors. Working collaboratively with customers, suppliers, and even competitors is a key part of protecting our planet and we must take action now. ■

The Chartered Institute of Procurement & Supply (CIPS) is a United Kingdom-based global professional body working for the purchasing and supply professions. With an objective of "leading excellence in procurement and supply", it aims to promote good practice and provides services for the benefit of a procurement community of 118,000 members.



The road to electric: What will it cost?

Government urged to ensure public charging network can accommodate all types of commercial vehicles

WORDS: BY DENISE BEEDELL, PUBLIC POLICY MANAGER, LOGISTICS UK

With the phase-out date for the sale of new petrol and diesel vans set for 2030, a key concern among SMEs will be the transition to hybrid or zero tailpipe emission commercial vehicles, and the costs incurred as a result.

Electric has been widely adopted as the viable solution for light commercial vehicles (LCVs), including vans. In 2021 plug-in vans accounted for 3.6% of all new van registrations, with the Society of Motor Manufacturers and Traders (SMMT) forecasting that in 2022 electric van sales were likely to double to 6.4% of the market. However, while there are government grants to support the uptake of new battery-electric vans, some SMEs may face challenges with the cost of purchasing these vehicles second-hand, as there is currently no government scheme in place to subsidise this. As the market grows, and the nation heads further towards decarbonisation deadlines, consideration will need to be given to further support for SMEs if prices remain a key barrier to uptake.

Charge points for plug-in vehicles could also pose a challenge to operators. Logistics depots and sites

require sufficient electric capacity to achieve rapid fleet recharging, while employees who need to take their vehicles home must also not be forgotten. Accessibility to sufficient public charge points is also vital. As part of the EV infrastructure strategy published in March last year, government outlined its intention to expand the UK's electric vehicle charging network by 300,000 public charge points by 2030, with a minimum of 6,000 high-powered charge points – crucial for an industry that faces increasing time pressures – across England's motorways and major A-roads by 2035.

While these are encouraging aims, more focus is needed on the requirements for commercial vehicles. As a result, Logistics UK has urged government to ensure the public charging network can accommodate all types of commercial vehicles, with sufficient large parking bays and longer charging cables.

Recent increases to energy prices will also impact the transition to electric vehicles. Previously, the cost of acquisition was high however, the lower running costs were an advantage when compared to petrol or diesel vans,

however, electricity prices this winter will be up to 24% more than Q4 2021 for businesses and may rise further as the Energy Bill Relief Scheme ends in March 2023.

Logistics operators typically operate on low profit margins and, with the increased energy costs, the financial viability of investing in new electric vans has been reduced. Logistics UK is one of the UK's leading business groups, representing logistics businesses which are vital to keeping the UK trading, and more than seven million people directly employed in the making, selling and moving of goods.

With COVID-19, Brexit, new technology and other disruptive forces driving change in the way goods move across borders and through the supply chain, logistics has never been more important to UK plc. Logistics UK supports, shapes and stands up for safe and efficient logistics with members from the road, rail, sea and air industries, as well as the buyers of freight services such as retailers and manufacturers whose businesses depend on the efficient movement of goods. ■

logistics.org.uk

Insufficient cyber security spells self-sabotage for UK SMEs

No matter what size, organisations need to take cyber security seriously to protect against disruption

WORDS: BY THE UK CYBER SECURITY COUNCIL

Many small and medium businesses may assume that they slip under the radar of cyber threats, safe in the comfort that no one wants to hack a small business. However, according to insurer Hiscox, one small business is hacked every 19 seconds – which translates to millions in revenue lost each year.

In support of the government's aim to make the UK one of the safest places in the world to live and work online, the UK Cyber Security Council was formed to become the voice of the UK's cyber security profession, working to educate the UK on why

specialist cyber security is important to all business, no matter what size.

It sounds harsh but it's unfortunately true, failure to protect your business will sooner or later result in a cyber security issue. More than 80% of UK organisations experienced a cyber-attack in the past year, proving that the threat is real, and incidents are occurring more frequently. Oftentimes these attacks are unsophisticated and entirely preventable, the cyber equivalent of a burglar trying a door handle and catching people off guard. You can be sure that a SME would never leave

their office door unlocked, so why risk leaving themselves vulnerable to a host of cyber threats?

No matter their size, organisations need to take cyber security seriously, to protect against operational disruption and the knock on financial and reputational effects caused by a cyber-attack. A protected business is also a more productive business as teams are not slowed or shut down completely by viruses and malware. Fundamentally it is in business' best interest to deploy adequate cyber protection with expert staff.

That said, a recent labour market report from the UK government found the UK's cyber sector is facing a workforce gap of 14,100 people. Coupled with a rising number and

← It may sound harsh but failure to protect your business will sooner or later result in a cyber security issue

variety of cyber threats, it has become increasingly important for the UK to address that skills shortfall and encourage new cyber professionals into the industry.

Understandably, SMEs may not be in a position to create hugely competitive packages and attract highly sought-after cyber security



“One small business is hacked every 19 seconds – which translates to millions in revenue lost each year”

talent – which is where upskilling existing team members can be advantageous to the business, the individual and the cyber security industry as a whole.

Many people involved in the management of cyber security processes do so as part of another 'cyber-enabled' role and these are the kind of candidates who make perfect home-grown cyber experts for your business.

Those with a cyber-enabled role understand the organisation's cyber needs and can upskill to specialise in the areas which matter most to your

← Everyone involved in a business should understand cyber security and know that it is everyone's responsibility

business. And with the introduction of professional standards, ethics, and career mapping from the UK Cyber Security Council, cyber career trajectories will soon be clearly mapped out, taking into account the 16 specialisms within cyber, and awarding the professional titles of Associate, Principal and Chartered. Making a clear and attractive career path for those pursuing cyber.

However, there is a common – and dangerous – misconception that cyber security sits only with the IT team. Everyone involved in a business should understand cyber security and know that cyber security is everyone's responsibility.

People are naturally suspicious of ▶





“A security breach or loss of data can break trust, lose customers and be devastating for SMEs”

opaque entities that they don't understand, such as an isolated security team. To be properly joined up with the wider business, the cyber security team needs to be accessible to those who use its services. This helps increase trust and transparency – which is particularly important in the event of a cyber-attack.

As cyber security is everyone's responsibility, people must be empowered with the tools to act on that responsibility. To begin the process of becoming a cyber-responsible organisation, an enterprise must create a culture where security is second nature.

Employees are a target for cyber criminals looking for easy access into an organisation. Effective and actionable responsibility requires increased employee training and the

rollout of a cyber security policy. This will place everyone on the same page when it comes to best practices, so there's as many eyes as possible on alert for potential threats.

A security breach or loss of data can break trust, lose customers and be devastating for SMEs. The National Cyber Security Centre (NCSC) has dedicated information available for small businesses providing practical technical advice which can significantly reduce the chances of a business becoming a victim of cybercrime.

Having adequate cyber security measures in place means customers feel assured that their information is protected and the business has their best interest at heart. Gaining a Cyber Essentials accreditation can demonstrate this to clients and is a clear indicator that your business is

taking cyber security seriously. Cyber Essentials is an effective, government-backed scheme that helps organisations, whatever their size, guard against a range of the most common cyber-attacks.

Digitalisation has enabled businesses to be more agile than ever. However, living and working in a technologically-advanced world also increases our level of vulnerability. In today's cyber landscape, the threats posed to SMEs and large corporations alike, are constantly evolving which is why the cyber security industry cannot afford to stand still and instead must keep growing and gaining in strength and depth of skill and experience.

At the heart of this growth is people. Investing in people, skills and education will enable businesses to better protect themselves on every level whilst nurturing an open and inclusive cyber culture. ■

ukcybersecuritycouncil.org.uk

How to avoid pension scams

The Financial Conduct Authority has updated its advice about how to avoid pension scams. It warns that scams can be hard to spot and that scammers can be financially knowledgeable, with credible-looking websites, testimonials and materials that are hard to distinguish from the real thing.

The FCA warns that scammers will make false claims to gain your trust. For example:

- claiming they are authorised by the FCA or that they don't have to be FCA authorised because they aren't providing the advice themselves
- claiming to be acting on the behalf of the FCA or Pension Wise

Scammers then design attractive offers to persuade you to transfer your

pension pot to them (or to release funds from it). It is then often:

- invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry, storage units
- invested in more conventional products but within an unnecessarily complex structure which hides multiple fees and high charges
- stolen outright

PROTECT YOURSELF

1. Reject unexpected offers

If you're contacted out of the blue about a pension opportunity, chances are it's high risk or a scam. Don't be talked into something by someone you know, even a friend or family member. They could be getting scammed. Check everything yourself.

2. Check who you're dealing with

Check the FCA's Financial Services Register to make sure that anyone offering you advice or other financial services is FCA authorised, and that they are permitted to provide you with those services. You can call its Consumer Helpline on 0800 111 6768. Search the company name and the directors' names online to see if others have posted any concerns.

3. Don't be rushed or pressured

Take your time to make all the checks you need. Be wary of promised returns that sound too good to be true and don't be rushed or pressured into making a decision.

4. Get impartial information or advice ■

fca.org.uk

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Why a four-day week is a no brainer

Looking for a healthy, happy, loyal workforce?
Your search could end with a shorter working week

WORDS: BY INDIA BURGESS, HEAD OF ADVOCACY AT AUTONOMY RESEARCH LIMITED



In recent years, the call to reduce working hours for no loss of pay has become increasingly strong from civil society campaigns and a growing body of research. This has culminated, to date, in the launch of the United Kingdom trial of the four-day week. Managed by the UK's 4 Day Week Campaign, the think tank Autonomy, 4 Day Week Global and researchers from several universities, the six-month trial began last summer and involves over 70 domestic businesses. Internationally, shorter working weeks have been successfully trialled (and in some cases implemented) in Iceland, Spain and Japan. Portugal is reviewing options for working time reduction, and national trials are under consideration in Scotland and Wales.

So what's the fuss about a four-day week, and how is it relevant to SMEs? In brief, a four-day week can offer a win-win opportunity for employers and employees. The standard format of a four-day week is a reduction to between 28 and 32 hours per week with no loss of pay, accompanied by a commitment from the employee to maintain their output in these shorter hours. This is also called the 100-80-100 system: 100 per cent of pay at 80 per cent of the hours with a commitment to 100 per cent output.

Alongside a range of broader societal, environmental and economic benefits, a four-day week can increase rates of productivity within businesses and improve the mental and physical wellbeing of staff.

An unhealthy work-life balance and occupational stress is a leading cause of work-related illness in the UK. Not only is this untenable for employees' wellbeing, it has an effect on businesses. In 2020/21, 1.7 million working people suffered from a work-related illness in Great Britain. Over 50 per cent of these workers suffered from work-related stress, depression or anxiety. Of the 32.5 million working days lost caused by work-related ill health in 2019/2020, 17.9 million of these were due to stress, depression or anxiety. On average, a person suffering from work-related



mental distress took 21.6 days off work in this period. That's nearly 10 per cent of annual days worked. Needless to say, this is bad for employers and also leads to high staff turnover.

A four-day week has been shown to reduce work-related stress across organisations and countries. Research completed by Henley Business School in 2021 found that 78 per cent of employers who had a four-day week policy in place reported that employees were less stressed at work. In 2016 for 18 months, a trial was run in Sweden in 33 workplaces across four sectors including care and welfare and technical services. Across 17 randomly selected workplaces, the workday was reduced from eight to six hours (equivalent to a 32-hour week). In all of the workplaces whose hours were reduced, employees experienced reduced stress, lower daytime tiredness and improved sleep.

Improved employee wellbeing will have a beneficial effect on staff retention, reducing recruitment costs and facilitating the delivery of higher quality work. Staff have a greater sense of loyalty to an organisation when there's a standout perk that they don't want to give up. What's more, within sectors that cannot offer high rates of pay, or that are competing for staff in an innovative sector, a four-day week can be a great selling point to attract top talent.

↑ Trials have shown that a shorter working week can lead to increased productivity

Out of the eight trials we have delivered outside of the UK-wide pilot, six reported increased rates of productivity and three found overall output increased. Overseas, a trial in Iceland involving 2,500 public sector employees led to 86 per cent of the workforce working or being eligible to work shorter hours. The trial city's accountancy department saw a 6.5 per cent increase in the absolute number of invoices entered to the accounting system during the trial, whilst a public sector call centre answered on average 93 per cent calls during the trial, compared with 85 per cent in another, non-participating centre.

If senior management or board of an organisation are looking to justify the introduction of a four-day week with an assurance that productivity will increase and output remain (at least) the same, this will be most achievable for those companies working in office- or home-based sectors. This includes finance, research, sales and design. The productive elasticity of computer and task-based work facilitates the opportunity for more efficient working, and therefore productivity increases, in these sectors.

In sectors such as hospitality, leisure, manufacturing, agriculture and ►

construction, it is less likely that an employee would be able to work 20 per cent faster serving customers at a till or laying tiles on a roof thanks to working time reduction. That said, aforementioned effects such as reduced absenteeism and greater staff retention would lower operational costs to a degree. Shorter working hours could also be an important tool in enabling longer, healthier careers in the context of an ageing population and workforce. To ensure the equitable introduction of a four-day week across the whole economy, it is likely that trade union or government involvement would be required.

Of all UK businesses, 99.6 per cent are classified as micro-, small- and medium-sized enterprises. The professional, scientific and technical and business administration industry groups consist of 16.4 per cent of these, which could stand to benefit from the introduction of a four-day week. This is particularly true in this early stage of the initiative – companies can make a name as trailblazers in their industries. In the UK pilot, all but one organisation are SMEs, housing providers, financial service firms, creative agencies and not-for-profits who have all committed to improving employee wellbeing and taking a chance.

So, what are you waiting for? ■

autonomy.work



↑ Improved employee wellbeing can have a beneficial effect on staff retention



HR firm sees productivity rise after it brings in a nine-day fortnight

A business which trialed a nine-day fortnight – with employees alternating between a five and four-day work week – discovered that not only did it improve wellbeing, it also increased productivity.

The results of the trial, by CharlieHR, a service which offers on-demand HR advice and HR software to UK SMEs, were a 24 per cent decrease in work-related stress across the company, a 14 per cent increase in team members' ability to disengage from work, an 11 per cent increase in productivity and the discovery that 40 per cent of new candidates said the nine-day fortnight was one of their top three reasons for wanting to join the company. The wellbeing-related results were welcome however, the 11 per cent increase in self-reported productivity was the trial's biggest surprise.

Ben Gateley, CEO and co-founder of CharlieHR, said: "The focus of the nine-day fortnight was very much about our continued investment in the wellbeing of our team. I have always felt that our work life is intimately connected to whatever else we do, and this idea was an extension of that. It came from the simple premise that if team members have more time to be fulfilled outside work, they will be happier and therefore likely to do a better job."

"What wasn't clear when we started the trial was whether increased personal energy and bounce would make up for lost time and mean we didn't lose productivity. With productivity up 11 per cent, it would seem not. Having working hours reduced does seem to improve team members' focus – we just need to keep a watchful eye that this remains the case."

But Gateley warned: "Companies must not be under the illusion that the four-day work week is some kind of 'magic bullet'. Companies operate within all kinds of structures. Some will be able to accommodate a shortened working week while, for others, it would be totally inappropriate. Those with customer-facing roles or with 'always-on' tech deliverables will find a four-day week will be far from practical. And for those for whom it might work, there are wellbeing implications to consider which are at odds with the seemingly work/ life friendly offer to reduce your hours by a significant 20 per cent. Employees whose working week is already maxed out will find a directive which removes an entire working day every week stressful, meaning they are required to work longer hours to make up the shortfall." ■

charliehr.com

How to break into international markets



Over the last few years, the country's SMEs have shown real resilience and, despite the challenges, many still recognise the opportunities for expanding overseas. With this in mind, **Duncan Heron, VP, DHL Express UK**, has some tips to help businesses smooth the path to successful international expansion

Smaller SMEs that want to explore international opportunities for the first time should consider starting via a marketplace. Users can decide where they're willing to sell to but these borderless platforms provide access to many markets. In addition, they provide the protection of upfront payments. As a business grows and gains knowledge and confidence with fulfilment of overseas sales, launching their own ecommerce site will become more accessible. For businesses with established ecommerce sites, there are a number of tools available that can help give an in-depth understanding of the potential growth markets. Online tracking tools can highlight where in the world website visitors are coming from, and if there are any potential areas for growth.

The extreme volatility of the last two years has been a cautionary tale from businesses that were overly reliant on a single sales market. The more markets a business is operating in, the smaller the ups and downs will seem, for example when exchange rates or economic outlooks differ for a particular country, so spread your risk with a presence in multiple countries.

Adapting to trading outside of the single market has brought its challenges, with Customs paperwork now required for trade between GB and the EU, but businesses who have been through it should feel confident to take that experience and be even more ambitious and global in their outlook.



dhl.com

The knowledge they've gained will enable them to enter a non-EU market that might have previously felt too complicated. Businesses selling to France now have the experience to start selling to the US or India.

For SMEs particularly it is vital to try and understand the specifics of the export requirements to each new market you want to push into to make sure you can take advantage of any opportunities or softer targets. For example, the USA and Australia have high de minimis values, meaning the value of the goods below which no duties and taxes are collected is higher than elsewhere, making them relatively straightforward to export to and allowing goods to easily be competitive with those made locally. Conversely, in other markets with more complex tariffs on imports and duties and taxes, your product may no longer be competitive at the price you need to sell it at.

Likewise, understanding how your product will be received in each country will help you understand whether a market will be viable for you. For example, in countries with a large expat

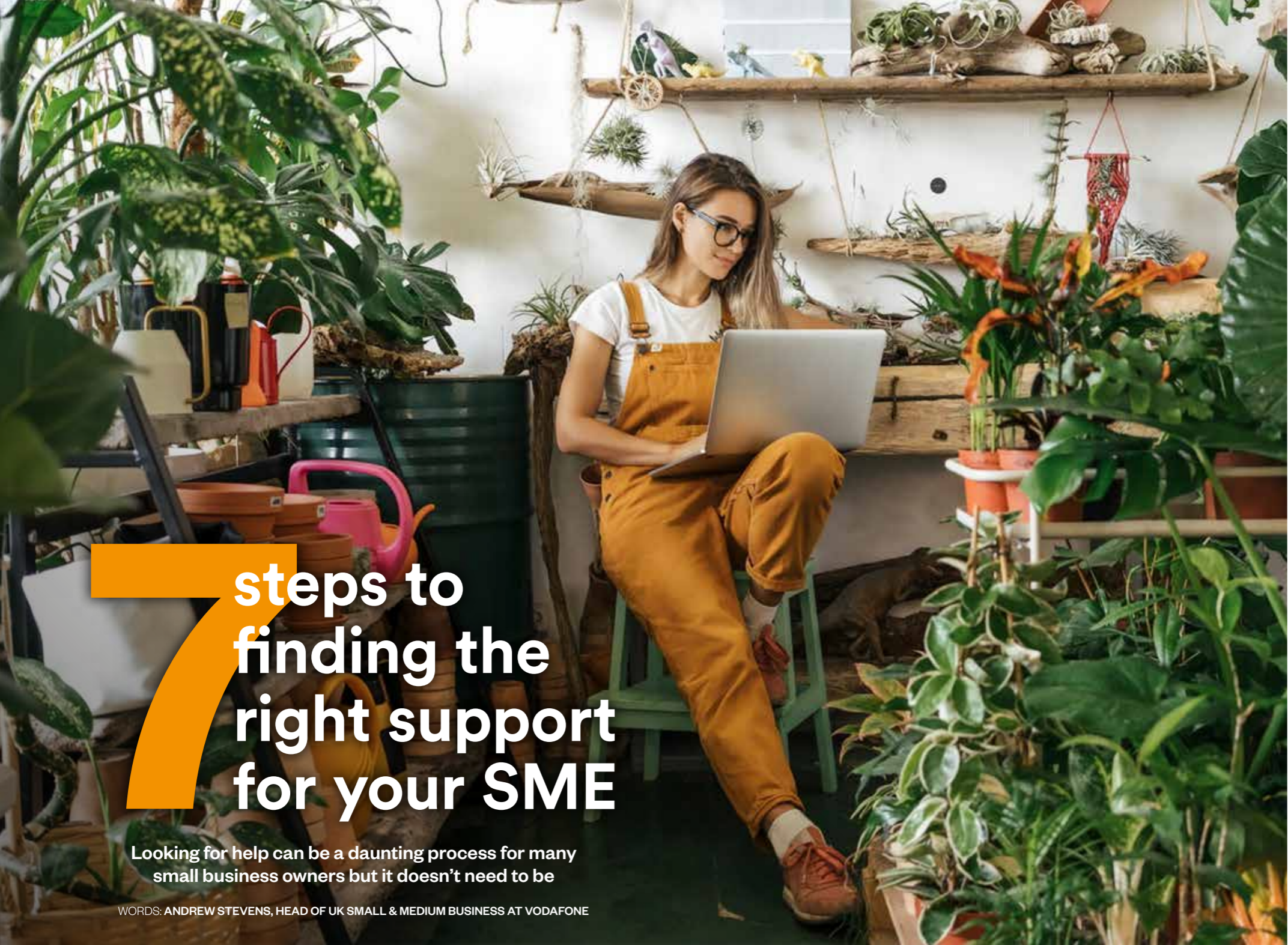
community, 'home comfort' products often sell incredibly well, so these will be markets worth exploring.

It's a good idea to make sure website - your shop window - shows you're open for business; a clearly visible banner on the home page will tell visitors from other countries right away that your goods are accessible to them. According to our research, 75 per cent of internet users don't make important purchasing decisions unless the product description is in a language they can speak and 98 per cent of online shoppers prefer to pay in their local currency so it's worth going that extra mile with translations, currency conversions or offering local payment platforms.

Sustainability remains crucial for the B2C market, and is growing in importance for the B2B market too, and shouldn't be overlooked even by smaller businesses. Being clear not just about your ambitions for sustainability, but also what actions you are taking now, will be key to growing and retaining the customer base. In fact, research shows that customers are more likely to be loyal to a company which supports environmental issues, which is a great opportunity for businesses to offer more sustainable shipping options.

When it comes to building a successful international growth strategy, knowledge is power, and SMEs particularly can benefit from learning from the experience of their peers and the wider business community. ■

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7 steps to finding the right support for your SME

Looking for help can be a daunting process for many small business owners but it doesn't need to be

WORDS: ANDREW STEVENS, HEAD OF UK SMALL & MEDIUM BUSINESS AT VODAFONE

SME. It may only be three letters, but what it represents is the beating heart of the British economy and the hopes and dreams of millions of individuals and families. We recently conducted a piece of research taking a look at how SMEs were faring post pandemic. To our surprise we found that a worrying 'guidance gap' is beginning to emerge, with many SMEs not knowing where to turn for help or advice. There are many reasons as to why this is occurring, however our insights also revealed that 71% of sole traders didn't identify as a

SME and therefore were not aware of all the help and support they were entitled to and only 11% of SMEs had sought advice from a large business or mentor in the past year.

With all the help that's available to SMEs, it's clear then that more work needs to be done to raise awareness of these throughout the SME community. For instance, if you're a small business owner are you aware

"Hiring an apprentice can be an effective way to grow talent and develop a qualified workforce"

of the range of government supported schemes designed to provide support – whether guidance based or financial – to small businesses?

Looking for support can be a daunting process for many small business owners, but it doesn't need to feel so arduous. Fortunately, I've highlighted a few helpful avenues below to help get you started – (also worth noting that as I am not a financial adviser – any information on financial support provided here is for insight and guidance only).

1 Finding the right loan or investment solution for your small business – Start up loans can help give your business a boost especially if you're at the beginning of your journey or looking to grow. The British Business Bank offer loans from £500 to £25,000 which can be repaid over 1-5 years. Unlike a typical business loan, this loan is unsecured, which does not usually require businesses to secure their commercial or residential properties. You'll also receive help and guidance to write a business plan and successful applicants can also get up

to 12 months free mentoring. The Seed Enterprise Investment Scheme (SEIS) is another route you can take if looking to raise capital. You can get a maximum of £150,000 including state aid awarded in the three years running up to the date of investment. SEIS is designed to help your company raise money when it's starting to trade. It does this by offering tax reliefs to individual investors who buy new shares in your company.

2 Getting Help to Grow – A larger number of SMEs are now eligible for the government's Help to Grow scheme, widening the number of users that can turn to the scheme for digital support. The scheme which was first announced in the government's Budget back in March 2021, was initially set up to help 130,000 SMEs gain access to digital and management tools needed to innovate, grow and help drive recovery. Eligible businesses can get a 50% discount on approved software solutions up to a maximum of £5,000.

3 Taking your ideas to the next level – Securing grants for your small business can be challenging – however help is available. The Prince's Trust Enterprise Programme offers development awards to help younger people kickstart their businesses or access training courses whilst Innovate UK's Smart Grants Programme helps deliver ambitious R&D innovations, funding rounds are open at various points throughout the year.

4 Finding diverse talent – In addition to upskilling internally, sometimes it's worth looking externally for the skills you need. The trick here is to go beyond your usual network and seek out new skills in new places. Start-up visas and Innovator visas provide a simple process to access international talent, whilst Tech Nation offer a dedicated visa to bring international tech talent to the UK.

5 Taking your business to the next level – If you're looking to upskill your digital capabilities and take your business to new heights then look no further than Vodafone's connected programme. With hundreds of free online courses available provided by Enterprise Nation, Samsung and Cisco, whether you're looking to learn more about managing an online business, finding new customers, accounting or keeping your business safe online from cyber threats there's something for everyone – no matter where you are on your business journey.

6 Hire an apprentice – Hiring an apprentice can be a productive and effective way to grow talent and develop a motivated, skilled and qualified workforce. There is also government funding available to help businesses offset some of the costs of training an apprentice.

7 Dealing with payment issues – In its recent Poor Payment Practice report, the FSB found that a third of payments to SMEs were late and whilst chasing after debts can be stressful for small business, especially with living costs continually rising – there is help available. If you're having issues with being paid on time, the Small Business Commissioner provide advice on late and unfair payments and can help you to take action and resolve any disputes.

If you're a small business looking for additional tips on how to take your business to the next level, head over to V-Hub by Vodafone and check out the resources, best practice guidance and free one-to-one support available from a dedicated team of expert advisers. ■

Andrew Stevens is Head of UK Small & Medium Business at Vodafone, and leads a team providing insight, expertise, and SME-focused tech solutions for the UK's SMEs.

How to write a mental health and wellbeing strategy for SMEs

You need a plan which focuses on what is going to have the most positive impact on your employees



WORDS BY AMY MCKEOWN,
AWARD-WINNING HEALTH CONSULTANT

Over recent years there's been an explosion in talk about health, mental health and wellbeing. The pandemic has highlighted the need for a robust 'employee wellbeing' strategy, meaning that many employees in charge of people have adopted new roles with little warning or training. The plus side of all this is that at an individual, organisational or societal level, we have never been more aware of our own, and others', health and mental health. This won't change any time soon. In fact, with health providers backed up and waiting lists at an all-time high, who pays for healthcare and how we access it is going to be a major over the next decade, if not more.

Many organisations are now either doing, or want to do something, around health, mental health or wellbeing: how to support and engage employees. Having a good organisational programme is no longer a 'nice to have'. It has to be a core part of any people proposition. Employees are demanding it, rates of ill health are high after the pandemic and employee wellbeing is becoming a board agenda item. The wellbeing and health provider markets are booming and employees are increasingly expecting apps, support and training in these areas from their employer.

At the risk of sounding negative, many of the strategies being put in place won't actually work. Whilst this might sound controversial, there is a simple reason for this negativity, which is that most wellbeing strategies are not actually strategies. They are collections of well-intentioned activity



cobbled together to demonstrate how seriously an organisation is taking health and mental health. They are tactics, not strategy.

What organisations tend to do is to provide a plethora of things or activities around health and wellbeing

“Rates of ill health are high and employee wellbeing is becoming a board agenda item”

– the list is endless! Mindfulness, fresh fruit, resilience training, Mental Health First Aid, webinars, stand up desks, Employee Assistance Programmes, screening... These are the sorts of thing needed to start to tackle health and mental health in the workplace, however, these activities

↑ **Speak to your people to understand what they actually want and need**

alone are not a strategy, they are the pieces of the jigsaw.

To build a structure or a plan, you first need to know what you are aiming at. What does success look like to your organisation? Once you know this, you can look at what you already have, and what else you will need to get there. So, for instance, if the long-term aim for your mental health strategy is to reduce absence, then you start with looking at what your current absence rate is, what is causing it and how this can be reduced. Then, you decide what jigsaw pieces you need to put in place to carry this out, how they will link together and how you will measure the impact of what you are doing. ▶

A step by step guide: How to write a mental health strategy

- 1. SMART:** Start by being honest about what you are trying to achieve in your health, mental health and wellbeing strategy. Is it SMART (specific, measurable, achievable, relevant or time-bound)? If not, then it needs to be. Starting with a fluffy or woolly intention leads to a fluffy or woolly strategy... or a list of activities.
- 2. AUDIT:** Next, audit what you actually have in terms of data within the organisation. Look at what, if any, health and wellbeing activities you are doing already, what health providers you have, how they work, who is using them and for what. Gather together as much data as you can: absence figures, retention, engagement scores, exit interviews... Assemble any of your HR policies that you think are relevant e.g. absence management, disability, maternity, induction, performance management...
- 3. STRUCTURE:** Once you have a handle on where you are as an organisation and what you need to achieve? You can then piece together your strategy. There are a number of evidence-based structures you can use – the Five pillars of wellbeing, Business in the



Community Wellbeing model and so on. The point is to have some structure to begin from. You use this structure to create a plan which will enable you to achieve your SMART aim.

- 4. CONTENT:** Start to map what you have already in place onto the structure you have chosen. Where do the health, mental health and wellbeing activities fit? Where are the gaps? Do you have the right health providers? Are you using them correctly? Are you doing the right activities? Are you measuring the right things? You can make a great start by doing the things you are already doing in a better or more structured way.

- 5. LISTEN:** Speak to your people to understand what they actually want and need from your approach to health and wellbeing. Too many strategies (policies and processes) written by people who don't have the same day-to-day challenges and needs as the people 'on the shop floor' or doing the actual work of the business. If you don't know what people need then how are you going to support them?
- 6. BUDGET:** Look at what current spend on health, mental health and wellbeing is already on. Be realistic about what you can achieve with the budget and resources you have:
- 7. TIMELINE:** Write a plan of what you are going to do now, in the months to come and over the next few years.
- 8. KPIs:** Create a dashboard or way of measuring your strategy. This will include some of the data you have already pulled together and some KPIs. Part of your strategy could be to measure new things or use data differently.
- 9. SUPPORT:** Ensure you have the right sponsorship and support for your strategy.

It is also important to bring in the right help and expertise to support you. Writing a strategy can be overwhelming at the best of times, however there are so many health and wellbeing providers out there, each promising the earth, that it can be hard to know where to begin. The best strategies are simple, structured, thought through and have a focus on what is going to have an impact on the health, mental health or wellbeing of employees. ■

Amy McKeown is an award-winning Mental Health, Health & Wellbeing and Women's Health consultant with more than 20 years of experience. amymckeown.com



How to deal with a toxic team-mate

Take control of your own behaviour and feelings – other people's behaviour is their problem

WORDS: BY FIONA ELSA DENT, MIKE BRENT AND NIGEL MELVILLE

Toxic relationships of any sort can be demoralising and time consuming and within a team can be pervasive and destructive for the whole team, its working practices and performance levels. A toxic relationship can easily cause you to feel manipulated, stressed, anxious and frustrated. Most of the people we talk to describe toxic people as those who are, for instance:

- Know-alls
- Rude
- Sarcastic
- Controlling
- Disrespectful
- Biased
- Gossips

In meetings they will often display poor manners, interrupt people, apportion blame to others and can become verbally aggressive. These are some of the most common behaviours we hear about but undoubtedly there are many more. A word of caution however - although we might label their behaviours as toxic, it's important to remember that they

probably don't see themselves as toxic. And it's not wise to ever describe your colleague as "toxic".

Dealing with a team-mate who behaves in a toxic manner can be tricky and complex. Here are some strategies that should help:

- Try to identify why you find the person "toxic". What in particular do you find annoying, is there any pattern to the behaviour, are there any specific issues where the toxic behaviour is prevalent and what do you think motivates the behaviour. The more you reflect about the person and the situations where and when the toxic behaviour happens the better prepared you are for dealing with it.
- Attempt to find something you have in common with the person or a positive feature that you have observed in them and can relate to. Very few people demonstrate toxic behaviour all of the time. This can give you a point of reference as well as making it easier for you when and if you decide to talk to them.

- Be patient and exercise self-control by not getting drawn into arguments or negative discussions with the toxic person. When you experience the negative/toxic behaviour remain neutral and try to engage in rational dialogue. Use enquiry to draw out the person's perspective on the issue under discussion. For instance, try asking relevant questions, test understanding, seek clarification and summarise, in essence attempt to take any negativity or heat out of the discussion.
- It is also useful to talk to your boss about your feelings and why you have them. They may have additional or helpful information about the person which could in turn assist you to better understand them. Or they too may find the person to be toxic in which case you can possibly work together to develop a plan of action for the way ahead.

- When and if you do decide to have a conversation make sure you are clear with them about the topic. Don't enter into anything unless the person in question is willing to explore with you how they can be "less toxic" and contribute in a more effective way to the work of the team.

Remember, toxic behaviour from any team member can be draining for all the people who must experience it. So, you should develop your own coping strategies. Take control of your own behaviour and feelings – other people's behaviour is their problem. Think about how you behave and respond – self-control is the key here. Share the issue with an appropriate person who can work with you to help you develop these coping strategies. And finally, for your own wellbeing, it is worth thinking about how you can limit the time you spend with toxic people. ■

Fiona Elsa Dent and Mike Brent are global leadership experts and co-authored *When Teams Work: How to Develop and Lead a High-Performing Team*, with former England Rugby Captain, Nigel Melville.

Call of the sea

How Falmouth is fostering a diverse business community

WORDS: BY DANIEL EVANS PICTURE: FALMOUTH TOWN TEAM



Quality-led experiences and a fiercely independent new breed of innovative small businesses are coming to the fore in a new-look UK high street, according to recent research by Experian, which describes the rise, for example, of vegan eateries, dog-grooming salons and micro-breweries. One town which reflects this well and, in fact, is setting trends nationally in respect of its high street template, is Falmouth, Cornwall. It is a destination that not only showcases exciting individual retailers but is also viewed as a dynamic and inspiring hub for a wide range of innovative enterprises and sectors, from digital design agencies to superyacht manufacturers, marine renewable start-ups to gaming academies. Across the town, flexible business models are flourishing, with niche food and experience-led activities under one entrepreneurial

roof. Daytime themed cafés transform into evening drink-led venues, capturing the visitor pound by day and the local/student evening economy by night. Artisan retailers combine creative workshops and online merchandising techniques, making the most of their retail space, while nurturing a loyal community in the process.

“The number of visitors continues to rise and with it the opportunity for small businesses to flourish”

It's not difficult to see what makes Falmouth so attractive to SMEs. With an enviable coastal location, it encourages a 'blue mind', live-work-play mindset, where collaborative businesses, exciting career options and an enviable lifestyle play out, supported by an award-winning destination management team. It's a

town that punches well above its weight, attracting people worldwide to live, study, work and create, and with the region's most diverse year-round festivals calendar, the number of visitors to the area continues to rise, and with it the opportunity for small businesses to flourish.

Richard Wilcox, Executive Director of Falmouth Business Improvement District (BID), Chair of Cornwall Towns and South West BIDs groups, said: “Falmouth has a dynamic business community, with the spirit of collaboration strongly evident. And it is the diverse nature of the high street which really adds to Falmouth's appeal and 'investability', with quality-led businesses from retail, hospitality, digital, creative and marine sectors, working and operating successfully alongside one another.” ■

falmouth.co.uk

Three small businesses that are enjoying life in Cornwall



Verdant Brewery

From humble homebrew between friends, to a booming business, Verdant has grown rapidly from its Penryn HQ. Home to a range of craft beers, Verdant was able to rapidly grow thanks to a successful crowd-funding campaign. In Falmouth, Verdant owns the Seafood Bar, close to Custom House Quay. It's a tapas-inspired seafood restaurant serving small plates and a range of Verdant's beers. Adam Robertson, co-founder of Verdant says: “The Seafood Bar is a small, but mighty space. Already an established seafood restaurant, we built on that reputation, giving it our own unique twist.”

Many of the restaurant's patrons come from across the UK as well as welcoming international beer lovers too, while also continuing to order 'a Verdant experience' via the company's website. As a consequence, Verdant has also developed a partnership with another craft beer company, Pressure Drop based in London. This has furthered the brand's reach, helping to bring the tap room experience and a taste of Falmouth to the capital city – under the railway arches of Hackney Central. As Adam adds: “We used to brew each day and always ran out of stock before the day had ended. Our new facilities enable us to produce more and now have enough beer in stock.”

verdantbrewing.co

Stitches & Cream

Created by sisters Jane and Sandra out of a love for dressmaking and needle craft, Stitches & Cream retails natural yarns and quality, contemporary dressmaking fabric, as well as running drop-in sessions, stitching workshops and talks. Taught by their mother from an early age, the sisters bring a lifetime of passion for needlework to the high street, providing advice and support to customers while engaging with their audience in innovative ways, such as stitching evenings and via social media. “We want to be the centre for Falmouth's knit and sew community,” said Jane. “Somewhere people can get together, learn and share tips and techniques, as well as purchase the materials for their crafts.”

The shop opened in 2019, only to be in lockdown shortly after. Jane said: “We switched to online sales and offered a click and collect service. The lockdown brought with it a reconnection with arts and crafts for many, and so we find more people of all age groups and genders, taking an interest in knitting, sewing and the creative arts.”

stitchesandcream.co.uk



Koala Karlous

Entrepreneurial musician Brandon Hargrave has combined a successful music career with quality bagels in the heart of Falmouth. A bakery by day, in the evening it transforms into a café/bar with a cool chill electronic vibe, showcasing Brandon's individual style of music. Working as a full-time songwriter for the last ten years, Brandon decided to part ways with his Sony record label and focus on bringing his music to people direct. He started from a Mercedes Sprinter conversion, powered by solar energy, where he created 18 independent chillout tracks, while also developing the van into a coffee and bagel truck.

After a year of trading and pushing the music, Brandon had achieved more than 20 million streams and more than 18,000 sales from the vehicle. Soon after, he launched his flagship coffee house and quality bagel bakery on Killigrew Street in Falmouth. Koala Karlous now has 16 employees across three locations and Brandon has aspirations to continue to grow the brand across Cornwall and the South West. He says: “Music is a big part of my life and I want to show young, aspiring singer songwriters that it is possible to be successful, without the big corporate record labels. Life can be short. We need to enjoy what we do and maximise the time we are blessed to have here.”

koalakarulous.com

Looking good! How one eyewear company raised £3m in 79 minutes



SME Magazine catches up with Zoe and Ali Watkiss, above, founders of eyewear company SunGod. Here, Zoe tells us about the company and how they made it a reality

After university, we were both working in London – Ali in architecture and me in marketing at L'Oreal. We were always looking for ways to spend more time outdoors, whether that was in the mountains, on bikes or just on two feet. We had started a winter bobble hat company called Hats for the Hill on the side of our day jobs, which was great fun but highly seasonal! We started looking at ways we could make this all year round and our attention turned to the summer season and eyewear. It became very clear, very quickly that the market was only offering expensive designer sunglasses that came with huge mark-ups, or £10 knock-offs that broke in a few wears. We believed we could create something better so we took matters into our own hands.

Once you'd come up with the idea, how did you make it a reality?

After six months of working with manufacturers and product testing, we launched on Indiegogo in 2013, with a target to sell 400 pairs of sunglasses. Within one month we had sold nearly 4,000 pairs and from this we were able to fund our first production run with the money from the pre-orders. Looking back, we probably wouldn't have been able to

go into production if we'd only sold 400, but it was a record for the platform at a time where crowdfunding was new and exciting way for brands to test the market. It also gave us a hugely engaged, loyal and global customer base from day one, many of whom are still customers today.

It was just the two of us from then until 2015 when we took on our first employee, and so we had to work smart and be super focussed on what we were working on. In the first few years, Ali used his architecture skills to lead on product design and operations, and I used my marketing and commercial background as a grounding to drive the business. We were building and shipping the products ourselves at the beginning, which gave us a great understanding of our products and customers, and how to grow and develop the brand based on what they were looking for next.



↑ Looking good: Zoe and Ali started with a target of selling 400 pairs of sunglasses

Partnerships are important to you. Can you tell us about them and how they work. Partnerships are an essential part of our business model. We have a content and partnership-led acquisition strategy, which means that rather than spending on traditional forms of advertising, we find new customers through building partnerships with like-minded brands/athletes/charities and tapping into their audiences. These partners include high-performance sports teams like England Rugby and McLaren F1, charities like Surfers Against Sewage and Protect our Winters, and individual athletes like world No. 1 triathlete Hayden Wilde and world champion skier and kite surfer Maxime Chabloz.

Tell us about your recent funding round

We launched the 2022 Vision Raise to accelerate our growth and fuel the next stage of SunGod's journey. We aimed to raise £1m and had an investment cap of £3m. Over 10,000 people pre-registered to gain early access to the raise, which offered our community the chance to own a piece of SunGod's future from £25. We were expecting things to move fast but nothing could have prepared us for the overwhelming response we received. It was nothing short of incredible. We smashed our £1 million target and went on to reach our cap of £3 million and close the round in just 79 minutes, at 200% overfunded with over 1,000 new investors.

What do you like about running your own company?

We've had the chance to build a brand from scratch, built on the values we think are important. That in itself has been a privilege and we feel extremely lucky to have had the opportunity. I can't now imagine doing anything else. In my experience, the satisfaction that driving real change and creating value each day brings is unlike any other job that has come before. When you're passionate about building a brand with meaning and always striving to be better, this brings with it the challenge of knowing when to take a step back and press pause. I think striving for that balance is a continual work in progress, and something I've really had to work on!

SunGod.co



How Lizzie has grown her £5m hair business

When Lizzie Carter wanted help dealing with her own curly hair back in 2016, she quickly realised there was a huge gap in the market and that curly hair had largely been ignored by the UK beauty sector. That's when she and her partner, Hugo, created [onlycurls.com](https://www.onlycurls.com), a London-based DTC haircare line made specifically to help people manage curly hair

I started Only Curls with the goal to inspire others to embrace their natural curls. When I realised that I couldn't easily find the right products for my curls, I decided it was time to take matters into my own hands. Only Curls was set up to help anyone with curls or waves to embrace their natural hair. So far, we have decided not to take investment and we continue to be a fully bootstrapped, family-run business. Hugo and I have completely different skill sets, and often opposing views which (due to our closeness) are never held back. We think this has been key to Only Curls success. Previously, I worked in fashion design at Abercrombie & Fitch & Nordstrom and Hugo was in marketing and event management. I was able to leave full time employment for Only Curls in 2018, Hugo made the move in 2020.

How much money did you have when you began? And what are the figures like now? We started the business with £500 of our savings, which allowed us to produce a

small sample run of hair towels and build a website. We began packing orders at our kitchen table in 2016, reinvested profits. We turned over £5 million in 2021 and hope to turnover £8 million in 2022.

What were the main challenges in the early days?

The challenge for us has always been stock. Being fully bootstrapped we are not able to take huge risks on volumes, and that has resulted in us regularly going out of stock on key items. Predicting sales in the early days was impossible and we have struggled to keep the range in stock due to high demand. It's frustrating as we could have sold more and grown faster, however going out of stock did generate further demand and buzz around the products and may have contributed to the success of the brand.

You are a big fan of social media. Which platforms do you use most and what is the secret of success with them? Social media is a place where we can

speak to our customers directly. We share information about the products and how to use them, answer customer queries and the questions customers are asking us inspires the content we create. We do a lot of user generated style content, which customers respond well to as it's native to their feed. This style is great for us as it's quick, easy and fast to produce resulting in us being able to refresh the content very regularly.

How has your role changed as the company developed?

In the beginning I did everything from sewing the towels to packing the orders, running the accounts to creating all branding and answering all customer queries. As the business has grown, I've been able to employ a team to help and I've been able to step into a position where I manage and oversee all these things I used to work on.

[onlycurls.com](https://www.onlycurls.com)



How one man realised his dream to run his own farm

Wilfred Emmanuel-Jones, aka The Black Farmer, introduces us to the company

I am Wilfred Emmanuel-Jones, aka The Black Farmer. I consider myself “a poor boy, done good”. I was born in Jamaica and then, after my parents came to the UK in the 50s as part of the Windrush generation, was raised in inner city Birmingham. I left school with no qualifications and undiagnosed dyslexia but was ambitious and persistent. After a short and unsuccessful spell in the Parachute Regiment, I trained as a chef and flipped burgers before I talked my way into working in television, rising to become a producer/director for the BBC.

I am credited with bringing many of the top UK celebrity chefs to the small screen including Gordon Ramsay, Antony Worrall-Thompson, Brian Turner and James Martin. In 1994 I founded a food and drink marketing agency in London which went on to run successful marketing campaigns for Loyd Grossman sauces, KETTLE Chips, Plymouth Gin, Cobra Beer and other challenger brands.

However, my dream since I was a child working on my father’s allotment was to own a farm. It was the driving force in everything I did and, when I was 40 years old, I finally fulfilled that lifelong ambition and bought a small farm in Devon in 2000. This was the inspiration

behind The Black Farmer brand (a name coined by my Devon neighbours) which I launched back in 2005 with our now-famous gluten free sausages. Since its launch, The Black Farmer has been seen as one of the UK’s most inclusive and innovative brands of recent times. Purpose driven, the company’s values are affordable premium, with a mission to supply customers with exciting products that bring quality to their lives.

What products do you produce?

The Black Farmer’s gluten free sausages are marketed through all leading supermarkets and online via Ocado. We run Farmshop, an online business where we offer a wide range of products from



↑ Wilfred was awarded the MBE in 2020 for services to British farming

locally sourced meat, a bakery, a deli and ready meals, to Caribbean specialities, Pause skincare and many unusual gift items.

What do you enjoy the most about being your own boss?

There are so many things I enjoy about it. Probably most important to me is being free to act on my own instincts and not being restrained by others. While I’m happy to take other views and opinions into consideration, I make the final decision and I will succeed or fail on that basis. It sounds daunting but, in fact, it is liberating.

What advice would you give someone thinking about setting up their own business?

Setting up your own business requires a clear vision and passion – you will need plenty of passion in order to stay focused and true to your vision and don’t be pushed off course by nay-sayers and doubters, of which you will meet many!

Sum up your business in three words

Inspire, Surprise, Sustain

theblackfarmer.com

Five business lessons I learned from my children

In a way, starting a family and starting a business are very similar. They both come with a lot of joy, challenges and require a significant amount of discipline and routine. And, while the world is full of parenting experts and books, nothing can prepare you for what’s coming. And, just like a child, every business is different, reaching its various developmental stages at different times. We don’t realise how much our own children can teach us about being successful in business, as well as our personal lives – here are a few things I’ve learnt so far from mine

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1. If you don’t communicate no-one will understand you

Lack of communication is one of the main reasons why relationships don’t work. If you don’t communicate, there is no way anyone will understand what’s on your mind. No-one can read your mind and if you will wait for others to figure out what you want them to do, you will be waiting for a long time. Babies get frustrated when they can’t express themselves and we as parents get frustrated when we are trying to figure out their different types of crying. It gets easier to understand them as they get bigger and start using words to express themselves.

Communication at every stage – from marketing to delivery is what can make or break your business. Because you can be the best at what you do, but if your customers don’t understand the positive impact it brings to them, they will move on.

2. Failure is part of progress

The path to success is not linear. We learn through failure – it makes us more aware of the risks. We get more comfortable with change, and overall it builds our resilience. How many times do children fall before they start walking confidently or how many accidents does it take before learning to ride a bike? Many. But children don’t just accept that they will never walk – they get back on their feet because there is so much to gain.

Everything we do - successfully or unsuccessfully - is about learning. And failing at certain things doesn’t mean that it’s the end of the path, it’s simply a sidestep that is most likely there to lead us to something better.

3. The biggest achievements start with the smallest step

The hardest thing in any process is finding the courage and taking the first step – no matter if it’s your child’s first step or a milestone in your business. But success is not an event, it’s a series of little things that form into significant achievements. It requires persistence and consistency, but it’s those tiny changes and habits that will lead you to become a better



Petra Smith with her children

entrepreneur and parent. You don’t need to know it all before taking the first step - you will either succeed or learn something new, either way, it’s worth taking the risk.

Look at your children’s feet – they might be small, but they can walk the same distance as you. Yes, they might need to walk at a slower pace, or you might need to carry them at times, but they will get there as long as you set them up on the path and help them to take that first step – no matter where you are heading.

4. New experiences are scary, but the rewards are worth it

Nothing ever grows in comfort zones and if you want to achieve something that you never have, you will need to start doing things you never did. Taking a deep breath, like diving into a swimming pool when the water is just a little too cold and facing the discomfort might be unpleasant for a short time, but will bring you positive benefits for the long term. Just like your child might cry through their first day of nursery, they will also soon discover the fun and new experiences they will love, as well as in many cases finding friends for life.

5. Success doesn’t happen overnight

Overnight success is the exception, not the rule. Success takes persistence and consistency – whether this is you potty training your child or selling your first big project. It takes time. And sometimes, even when things are progressing well, they might regress for a little bit. Learning to accept that there are things that are out of our control can help us focus on those elements of our business and family life that we can change. It can also help us to accept challenges and turn them into opportunities. While success might not be immediate, it’s the journey that matters as every day it takes us a little bit closer to where we want to be.

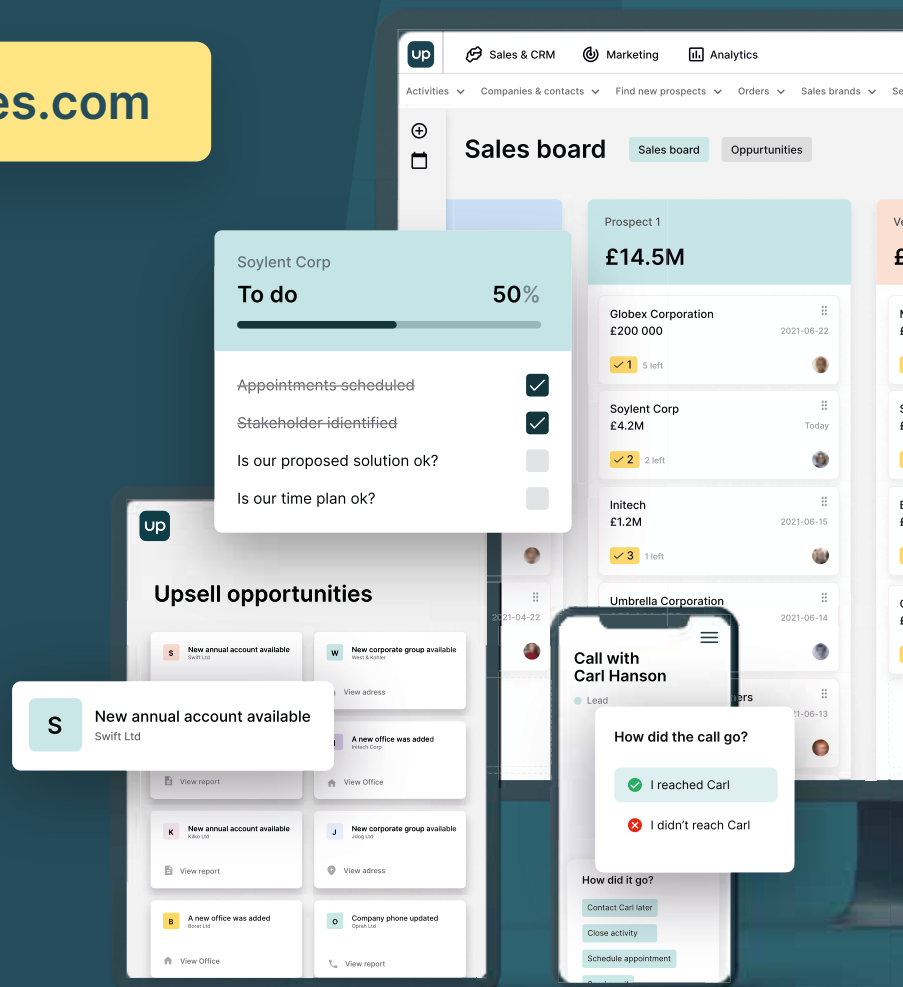
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