Insight
The magazine for Network Rail Property customers
Winter 2012

WIN
A luxury food hamper

Happy days
Customers in London put the passion into business

PLUS...
Profiles
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Green tips
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Olympic advice
It’s incredibly inspiring travelling up and down the UK meeting Network Rail’s small business owners. Everyone we’ve met this month shows great passion and enthusiasm for their line of work, having chosen to make their living doing something they love.

On page 5, discover how a well-established wine merchant in Birmingham has kept afloat in a difficult economy. Chris Connolly has lessons for anyone wanting longevity in their business, including ways to make sure new customers keep coming through your door.

In this month’s tour I visited an up-and-coming corner of Hackney, London, where businesses – some of which are just a couple of years old – are thriving by being the very best at their trade. London Fields benefits from a booming nearby market on Saturdays, but these exciting businesses are making sure customers keep coming to the area during the week too, by turning a quiet street into a destination.

Bread-maker Ben has cornered the market on delivering artisan sourdough. Best friends Lisa and Ellie are making good food that’s also good for you, while retro-furniture purveyor Mick shows how investing in your hobbies and interests can turn a profit.

Everyone I met said hand on heart they look forward to coming to work every day and love being their own boss – surely the best reasons to start your own company?

Tory Frost | Editor

BILLS BACKLOG: Late payment of bills by UK businesses worsened by almost a day in the third quarter of this year. Read more on page 4

DRINKING PROFITS: Wine merchant and Network Rail customer Chris Connolly says speciality retailers need to know their market to get ahead in business. Learn about his love of social media and new customers on page 5

HIRING LINE: When recruiting for your business, expert Joanne Whitbourn says make sure your job ad is clear, and you list salary, location and job title. Find out her other tips on page 9

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Contact us if you have a story to tell or a question about the magazine

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Insight is written, designed and produced for Network Rail by AB Publishing Ltd, 24-26 Great Suffolk Street, London SE1 0UE.

Insight is printed on revive 50:50 Silk – a recycled paper containing 50 per cent recycled waste and 50 per cent virgin fibre and manufactured at a mill certified with ISO 14001 environmental management standard.
BUSINESS REVIEWS ON THE CARDS

Regular ‘regulatory reviews’ of small businesses will be conducted from 2012 by the Financial Services Authority. The reviews are designed to give firms face-to-face time with a regulator to make sure business controls are in place.

The format of the reviews, which begin in the north-west, will be either an interview conducted face-to-face, telephone conversation or online assessment. These will then be followed up in writing with any accompanying actions to be taken. The FSA may visit a site to explore issues further and provide specific feedback where necessary.

A random number of firms will be tested to validate the feedback given and ensure that regulatory approaches are being taken correctly. For more information, visit www.fsa.gov.uk

Skills fund up for grabs

Shares of a £250 million fund for vocational training programmes will be available for small businesses in 2012. The Government scheme is designed to boost economic growth and ensure workforces across the UK have the required skill sets.

Small businesses can bid for a share of the fund, of which they will then have direct control. The initiative addresses an increase in apprenticeships and aims to give employers the power to take control of their training.

Business Secretary Vince Cable said: "Skills are central to the UK economy and our long-term competitiveness. "Despite some good progress, our system needs more flexibility and we are treading water by international standards.”

For more information, visit www.bis.gov.uk

FACT:

18% more businesses started up in 2011 than 2010
**Bill Payments Get Later**

Research by Experian reveals late payment of bills by UK businesses worsened by almost a day in the third quarter of this year.

Businesses paid their bills an average of 26.13 days late in July, August and September, compared to 25.26 between April and June.

The largest increase was seen among the biggest firms (more than 501 employees) from 32.79 days late in Q2 to 34.89 days in Q3. The UK’s smallest firms (one to two employees) had the smallest increase recorded during the period – just half a day.

Jason Mills, head of payment performance at Experian UK & Ireland, said: “With the average time it takes to settle bills worsening in the last three months, it underlines why it pays to keep a close eye on suppliers’ and customers’ payment performance.”

**Slow Business Rate Appeals Cost SMEs**

England’s businesses are losing £300 million a year due to the backlog of business rate appeals, according to business rates specialist CVS.

New procedures introduced in January are to blame for the backlog, while delays in processing appeals means there are more than 328,000 outstanding at the Valuation Office Agency (VOA), the agency responsible for calculating business rates and council tax in England and Wales.

CVS warns that the failure to process appeals efficiently and return the money owed to businesses that have over-paid is becoming critical.

Don Baker, national head of rating at CVS, said: “The VOA’s speed of processing business rate appeals is unacceptably slow. At the moment, businesses need all the revenue they can get and the VOA’s inefficiency is penalising companies unfairly and preventing them from recovering money that is rightfully theirs.”

**Ft.com/podcasts**

It was nigh on impossible to pick a podcast to review from the *Financial Times* – there are so many on offer, there’s something to suit everybody. No specific small-business focus we’re afraid, but if you have a vested interest in the markets, want an overview of banking news or simply enjoy a funny overview of office life, there’s something for you here.

**Jump Desktop**

If your business means you travel a lot, accessing the files on your desktop quickly could be vital. Enter Jump Desktop. This app for iPhone, iPad, iPod and Android devices lets you log in to your office computer via touchscreen with a no-hassle set-up and secure connection. One of those apps you never knew you needed, until you have to go without it!


Do you have a favourite business book, paper, website or resource? Let us know – see the contact details on page 2
Chris Connolly is the perfect person to ask about making sure a business lasts. His father first opened Connolly’s, a fine wine and spirit merchants, in 1976 and it’s still going strong today under his stewardship.

The company has been located in a Network Rail arch next to Birmingham Snow Hill station since 1991. Key to Chris’s success is evolving the business to ensure new customers keep coming through the door.

The UK’s hard-hitting recession may have made his journey tough in recent years, but it hasn’t stopped the business going from strength to strength.

Selling more than 1,200 wines and spirits, it offers the finest selection in Birmingham.

**But how has Chris made his business go the distance?**

**Know your market.** I spend a lot of my time keeping in touch with market news. It’s important to understand what’s happening so you can evolve your business and products, rather than playing catch-up. You must stay on top of the game.

**Increase wholesale business.** In times of financial trouble, it’s important you have a steady and reliable flow of income. I’ve worked hard over the last five or six years to double the business we do with local restaurants. You never know how retail sales will go, but this way, I have some idea of how much money I’m making.

**Embrace social networking.** Over the last six months I’ve started a Twitter account for the business. I don’t like using it as a selling tool though. Instead, I use it to build up dialogue with customers so they become more familiar with the brand and see us as friends.

**Find new customers.** Research shows a small business loses one-seventh of its customer base each year, so they have to be replaced. I invest a lot of time in the community to bring new faces to our business. I host regular wine testing nights. It’s a creative way of getting our name out there.
If the key to happiness is to do something you love, business owners on Mentmore Terrace must love getting up in the morning. This unassuming street by London Fields station in Hackney, east London, is home to some incredibly cheerful small business owners, all doing something they are passionate about.

The location couldn’t be more appropriate. London Fields is home to an artisan market every Saturday, which, once on the verge of closure, has now become the place to see and be seen in Hackney. The market’s revival has been felt across the area, with house prices rocketing, and the stock in London Fields rising for locals and businesses alike.

It’s as if the handmade, homemade ethic of the market has exploded in London Fields, and instead of big businesses swooping in to take advantage,
it’s the small, passionate businesses that are thriving, like Ben Mackinnon’s E5 Bakehouse.

Ben left a career in sustainability for a multi-national corporation to go it alone with his pet project – sourdough bread. “London Fields is the perfect place for a business like this because we are supported by the community,” he said.

E5 Bakehouse delivers artisan sourdough to homes and other small businesses by bike throughout Hackney, and the Mentmore Terrace arch also houses a small café and bakery, but Ben’s business started in his own home. “I sold my first loaves to neighbours, and it developed from there,” he said. Ben now employs 15 people, many of whom have left more conventional jobs to get their hands in the dough.

www.E5bakehouse.com

Ben has a strong environmental vision for his business, working hard to source great, ethically produced ingredients, something the ladies next-door at Happy Kitchen also believe in.

Lisa Stockton and Ellie Pennington have been best friends since they were four, and have turned their shared love for gorgeous vegan food that is healthy and gluten-free into a thriving canteen and wholesale bakery. “We’ve been cooking together since we were teenagers, trying to figure out a healthy way to make cheese toasties while all our schoolmates were bunking off,” said Ellie, “so it makes perfect sense that we’d start this business.”

Happy Kitchen supplies brownies and cakes to coffee shops and health food stores across London, while the canteen stays true to its ethos by selling healthy treats, smoothies, the best coffee Insight has ever tasted and even the ingredients to bake healthily at home.

“All our cakes are gluten and butter-free and are sweetened naturally with fruit,” said Lisa. “Things that are good for you ▶”
should also taste good.”

And these successful girls are the perfect advert for their produce.

www.happykitchen.com

For a long time, Mentmore Terrace was filled with forgotten warehouses and industrial businesses, but the arrival of these new cafés is turning the place into a destination in its own right.

The owners of retro business Arch 389 have seen this change happen. Mick Daniels and partner Mick Snellgrove are some of Hackney’s favourite, and most reasonably priced, purveyors of vintage furniture and art, and have been Network Rail customers for almost 10 years.

Their arch is an Aladdin’s cave of treasures – the pair scours markets and home clearances to find the best pieces. Mick Davies said: “London Fields has transformed since we moved here, and the local community is great. The revival of the market is great for business, and we can have up to 400 customers on a Saturday. But there’s also a real community spirit here. There’s a great vibe building on this street that we love being a part of.

“We were the first arch here to have a shopfront – others are now following suit.”

Retro furniture isn’t Mick’s only love. “I’m also an artist,” he said. “I’m into naïve and outsider art, and this business lets me buy and sell something I’m passionate about. Owning my own business also gives me the time to practise my own art. It’s great!”

www.facebook.com/arch389

The newest business Insight visited is also the most intriguing. London Fields Brewery was opened by Ian Burgess and Jules Whiteway just four months ago – almost on a whim.

Ian founded thriving local coffee company Climpson & Sons before leaving the business and travelling while deciding his next step. Inspired by the Australian love of beer, he returned to London and met fellow enthusiast Jules, and their microbrewery was born.

“It’s been a steep learning curve,” said Ian. “We started with a four-day course in Manchester and went from there.” But Ian’s not a total novice. “There are similarities between roasting coffee and brewing beer,” he said. “It’s about developing flavours and they’re both quite delicate jobs, even if brewing beer looks rather industrious. The irony is, I’m not actually a real ale drinker. I prefer sparkling new-world ales, so there’s a lot of room for us to grow.”

The arch with accompanying yard is a great space for the fledgling business, which holds regular music nights on site. “This space is also a good temperature, and it’s in a great location with lots of creative businesses and start-ups. There’s a real sense of community. Combine that with the freedom of being my own boss and, despite the hard work, I’m pretty happy!”

www.londonfieldsbrewery.co.uk
WHILE Alan Sugar can dedicate months to finding his one apprentice, SMEs have to be more practical when it comes to recruiting. And with new research revealing that UK SMEs are planning to hire 470,000 employees in the coming year, it’s never been more important to get the recruiting process right.

According to Joanne Whitbourn, deputy director of marketing & communications at the CMI, it all starts with the job advert. “Clarity is king,” says Joanne. “Many companies still make the error of not quoting the location, salary or job title. You have to be clear about what you’re offering.”

You also have to explain why someone should want to work with you. Despite talk of a ‘double dip’ recession, strong candidates will often already be in employment, so you need to give them an incentive to join your business: what’s your unique selling point? While salary remains an important consideration, candidates are placing increasing importance on other areas. Benefits, job security and work/life balance are all major factors, so make sure you mention them in your job advert.

When it comes to where to advertise, Joanne suggests focusing your resources online. “It is more cost-effective and targeted than print advertising, and you don’t have to adhere to any print deadlines.”

The interviewing stage is as much about the interviewer as the interviewee. You need to have the right person conducting the interview – and ask the right questions. “Too often,” says Joanne, “businesses see the interview as an opportunity to showcase their organisation. That’s not what it’s for – it’s about finding out more about the candidate.”

To do this, Joanne suggests beginning with some softer questions and then digging behind the scenes. “Any candidate who’s made it to the interview stage is going to have the technical skills, so it’s really about assessing whether they’ll fit in with the culture of the organisation.”

Finally, Joanne advises working with a good agency. “They’ll do the initial filtering for you,” she says. “They should have met with the candidate beforehand and pre-checked their CV. This will provide you with a good shortlist and save you time in the long run.”

Then all that’s left for you to do is perfect your Lord Sugar impression, point your index finger and say: “You’re hired.”
Eileen Claridge is one of eight asset development surveyors who look after enhancement projects for Network Rail Commercial Estate. Eileen joined Network Rail in October, when the business was reorganised and her team was created.

**What does your job entail?**
We identify and develop potential new income for commercial estates. This might be refurbishing a run of arches or a former station, and identifying new sites for refurbishment or a new build.

**What’s the best thing about your job?**
Until I moved to Network Rail, I had no idea there were so many opportunities for developing property around the railway. It’s been a real eye-opener.
In such a large organisation, I was worried about finding the right person to help, but I have found people very understanding and helpful – even though I’m new to the rail industry.

**What are the challenges?**
We’re tasked with raising the company’s income by finding brand new opportunities. We have to do this while ensuring we support the company’s safety and operational objectives, and this is a brand new challenge for me.

**What skills do you need to do your job?**
You need to be imaginative, to see opportunities where they arise. You also need to be persistent to get the job done… and all eight of us are qualified chartered surveyors with lots of different experience, so we can do it.

**What would you be doing if it weren’t this job?**
I’d quite like to be a mounted policeman! I saw one the other day and really envied them. The horses are absolutely magnificent animals, and I really like the idea of being high up there, in control.
Nearly four million of the UK’s small businesses are potentially missing out on total savings of £7.7bn every year by not implementing energy efficiency measures, according to the latest research by energy giant E.ON.

The research revealed that only 21 per cent of small businesses have energy-efficiency equipment in the workplace, and that many are failing to implement simple measures to reduce energy. Eighty-six per cent didn’t have lighting timers or motion sensors in their workplace – only 15 per cent have installed a smart meter. This lack of awareness is creating tension in the workplace, with 87 per cent of respondents citing their colleagues’ approach to energy efficiency as being irresponsible.

“Worryingly, four out of five small businesses are not aware of the significant financial savings that can be made from becoming more energy efficient in the workplace,” said Iain Walker, head of business sales at E.ON. “Introducing small changes in your behaviour, such as installing energy-saving equipment, light sensors and smart meters, can have a significant financial impact on your energy bills.”

For information on grants for green measures, visit www.greengrantsmachine.co.uk

Cooking oil isn’t just useful for frying your chips – it’s now being used to power vehicles and big business.

Uptown Oil, located under an archway in Southwark, London, is turning used oil into biodiesel, which is cheaper and more environmentally friendly than standard fuels.

The used cooking oil is sourced from local restaurants, bars and cafés, helping to deal with the catering industry’s waste-oil challenge, which sees up to 90 tonnes of waste oil produced every year.

Nigel Jewison (pictured) started the company in 2008 with his two business partners, John Upton and Jason Askey-Wood, and is happy with the choice of premises.

“That’s particularly important to Nigel, as much of his business comes from taxi drivers. He estimates that a black cab using biodiesel saves six tonnes of CO2 each year. “That’s enough to fill three Olympic swimming pools,” he said.

On the subject of the Olympics, there are fears that Britain could be fined up to £175 million by the International Olympic Committee if it is breaking EU pollution limits when London 2012 begins. Biodiesel can help here, too.

“It reduces carbon dioxide emissions by 80 per cent and particulates [tiny pollution particles associated with heart and lung disease] by 60 per cent,” added Nigel. Big business is also beginning to wake up to the benefits of biodiesel. “We’ve recently signed a deal with PricewaterhouseCoopers. It’s now using our bio-fuel to provide electricity and heating for its new London headquarters,” Nigel said.

• www.uptownoil.co.uk

DON’T WASTE YOUR ENERGY

Energy-saving tips

• Lighting the way: installing lighting timers or motion sensors will help you to cut your electricity bill

• Monitoring the situation: Only 19 per cent of small businesses have an energy monitor – but it can help you keep on top of how much energy you’re using

• Windows of opportunity: Thirteen per cent of small businesses are still leaving the windows open when the air conditioning or heating is on.
The athletes that make up Team GB have been training their whole lives for the chance to compete on their home turf, but have you started preparing for the London 2012 Olympic and Paralympic Games?

It isn’t just a chance for our sports stars to shine. Businesses across the UK, and especially in London, will also be swept up in Olympic fever.

There are strict regulations around using the Olympic name, logo and memorabilia to promote your business, but that doesn’t mean you can’t capitalise on tourism, footfall or the festival fever of the event.

Even if you aren’t based in London, viewing screens, celebrations and affiliated events will take place across the country. Make sure you keep your ear to the ground and local news as summer approaches to make sure you know if something’s happening that you can capitalise upon, whether it means extended opening hours or offering a greater service.

You might not be able to sell official memorabilia, but interest in all things health, sport or fitness is sure to peak next year, aided by the organisers’ pledge to create a legacy around the Games – use this to your advantage if your business is in leisure and tourism. Any business can sponsor a local team or event, so in 2012, why not associate your brand with the excitement surrounding the Games and help your community in the process?

London will be affected most by the drawbacks of the Games, with congestion, road closures and processions. Stay tuned to the official website for the latest updates.

Whether you’re a sports fanatic or couldn’t give a toss about sport, the Olympics will be unavoidable in 2012, so make sure your business benefits from the most exciting UK event in decades.

Identify these characters or people for your chance to win a luxury food hamper.

Send us your answers, with your name and contact number, to insight@abcomm.co.uk or text for free to 80800, starting your text with ‘insight’. The competition closes on 29 February.

Not all the Olympic supplier contracts have been awarded! Visit www.competefor.com to see if your business could help deliver the London 2012 Games.