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Maximising chances of success

STATISTICS can be scary. According to the Office for National Statistics, one in three start-ups will fail in the first three years and only 20% will be trading after five years.

But according to the British Franchise Association (BFA), around 80% of those who take the franchising route will still be trading after five years and around 91% of all franchise businesses are profitable, making the proportion of loss-making franchisees less than one in 10 for the first time since 2007.

Many business start-up organisations disagree with the BFA figures saying the chances of success for both franchisees and start-ups who go it alone is around 50%.

It would be easy to get hung up on statistics, but one thing all business start-up experts agree on is that good advice, support and mentoring will maximise your chances of success.

Franchising can certainly help to minimise the risks. The industry contributes £13.4bn to the economy and according to the BFA's latest report from June 2012, the industry expanded by 4% in the UK during the financial year 2011/2012.

But why buy a franchise - which can cost from around £10,000 to over £100,000 - and pay ongoing franchise fees, when you can simply go it alone? In addition to the improved chances of success, there are many other advantages.

Although lending criteria is still stringent, a franchisee has a better chance of getting funding as banks look more favourably on a tried and tested business model.

Around 81% of franchisees believe they have a competitive advantage over other small businesses as they have access to training, established branding, a website and a proven business model.

When my new franchisees are pitching for business, they are able to get a foot in the door by being part of an award-winning brand with a proven track record. Franchisees are learning from somebody else's experience rather than making their own, often costly, mistakes. Problems can be nipped in the bud with a call to the franchise owner.

They can also tap into a network of other franchisees for support. The buying power of a franchise business means better terms can be negotiated for manufacturing of stock too.

Although support is there when you need it, a franchisee has complete autonomy over all aspects of their business. For me the benefits are best summed up in the phrase "You're running the business yourself, but not by yourself".

Sarah Pittendrigh is managing director of www.simplybowsandchaircovers.co.uk. Ask a question via Twitter: @simplybows

Entrepreneur on road to success with app

CHALLENGE

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AN entrepreneur has launched a new app which he hopes will see him on the road to success.

Former Northumbria University graduate, Richard Baker, 27, is the founder of The City Portal, a new city guide that advertises venues, events and promotions.

The app is available via three platforms, in taxis, on the web and for use on both iPhone and Android phones.

The Newcastle City Portal is the first in a line of potential sites, which has already attracted 10,000 users giving residents and visitors information about local events.

The site is supported by vouchers and discount codes for bars and restaurants, leisure facilities and shops.

Newcastle taxi company, LA Taxis, has fitted headrest screens to 60 of its vehicles, with adverts on a 10-minute loop being seen by about 70,000 to 100,000 people per week.

Baker spent months securing a licence with a Chinese manufacturer of the screens to be its sole distributor in Europe.

Now he is hoping his innovation will be recognised by judges in The Journal's If We Can, You Can Challenge, run by the Entrepreneurs' Forum.

The annual challenge is open to all start-ups and early-stage enterprises with a prize of up to £17,000 worth of investment, mentoring and practical help from sponsor Yorkshire Bank, Ward Hadaway, Onyx Group, PwC and Rivers Capital.

Baker initially got his idea after seeing advertising screens in taxis in New York.

He said: "From the advertiser's point of view, passengers are a cap-



LAUNCH Head of marketing, Hugo Clerey, left, and Richard Baker, founder of The City Portal app

tive audience.

"However, the content still has to be engaging and relevant, so we adjust it to appeal to certain targeted demographics, for example morning commuters, afternoon shoppers or young professionals on a night out."

The City Portal system is linked by 3G to a central computer so, once hard-wired into a taxi, the content is updated remotely, every day.

Taxi passengers are directed to the app and the website, where

vouchers can be downloaded or discount codes presented on a mobile phone at venues.

The new app has also attracted the attention of big leisure groups in the city which will be able to send out instant offers to customers, whether they are travelling, at home or in the office.

Baker said: "In the past, bar owners have printed flyers to hand out on the streets.

"With The City Portal, if it's a quiet evening, we can send a discount code straight to customers' mobiles

to attract them in. It also works for venues with last-minute seats to sell. It's all backed up by analytics so our clients can receive data and measure the success of their offers."

With expansion to other cities and further developments in the pipeline, Baker recognises the support being part of If We Can, You Can could bring.

He added: "We believe we have something different to offer, but we're under no illusions about being new to business."

● If We Can, You Can is open for entries until the extended deadline of June 7 at www.ifwecanyoucan.co.uk



Event to help access growth funding

ENGINEERING and manufacturing businesses from across the North East are being invited to attend an event and apply for up to £15,000 to help recruit an apprentice.

Northumberland College has joined forces with Arch, The Northumberland Development Company and Semta, the sector skills council for science, engineering and advanced manufacturing, to help firms apply for money from the Government's Regional Growth Fund (RGF), the National Apprenticeship Service and Northumberland County Council.

Lindsay Middleton, Semta's national manager for England North,

is urging all Northumberland businesses in the sector and those from other parts of the region - especially SMEs and those in the supply chain - to attend the breakfast event at the college in Ashington on June 12.

"There is unprecedented support for businesses to recruit apprentices, including funds and expertise to cover recruitment and on-going training," said Mrs Middleton.

"Our research shows 8,500 skilled workers in the advanced manufacturing and engineering sector in the region are due to retire by 2016 while 25% of current employees need to be skilled-up to deal with new technologies and processes.

Young people are our future engineers, maintenance technicians and managers so we are delighted to be working with Northumberland College and Arch on this event.

"With youth unemployment so high and the need for home-grown skills so apparent, there has never been a better time to bring experts together to help businesses grow."

Stuart Cutforth, principal and chief executive of Northumberland College, said: "This event is essential for any engineering or manufacturing organisation that is looking to up-skill its workforce by accessing available funding. We offer re-

cruitment services and a wide range of apprenticeships."

Arch has been established by Northumberland County Council as a private sector arms-length development company to help drive economic growth, is particularly keen to meet businesses from the county.

The Grants4Growth event will be held on Wednesday, June 12, starting at 7.30am until 9.30am, at Northumberland College, College Road, Ashington. Refreshments will be available. To register or for more information email megan.henderson@semta.org.uk or call 01740 627006.