

Getting a new business off the ground in the current climate is tough. Ruth Campbell talks to business mentor Nigel Dakin, who runs pioneering courses to help those who want to go it alone



Help getting started: Business mentor Nigel Dakin. Main picture, cycling enthusiast Rob Pillar with his family

Preparing for blast-off

NIGEL Dakin has a positive message for anyone struggling to get a new business off the ground today. "There are more millionaires who have started their business in recession than in good times," he says.

The business mentor, who runs innovative courses for those setting up on their own for the first time, adds: "If you are clever or determined enough to grit your way through tough times, when it gets easier, you are really going to fly."

Not that he is suffering from any illusions. Starting up a new business in a recession is tough and it has been made even tougher since the Government's regional development authorities, which used to provide help, were disbanded just over two years ago. It left those wanting to set up new businesses, where the fall-out rate in the first three years is about one in four, with little support.

"The statistics are scary. It is a big challenge and people have to take a risk," he says. "When the regional development authorities went, it was ridiculous. It meant no-one was helping businesses get started in our area and they are the backbone of our community and economy."

As a result, the Enterprise Gateway scheme, which Dakin runs, was set up by Harrogate Borough Council, in partnership with Harrogate College, to provide free one-to-one business advice, workshops and networking opportunities for anyone in the district setting up a new business.

Similar schemes are run in other parts of the region by a range of organisations, from chambers of commerce to colleges and councils. "But the provision is piecemeal," says Dakin, who has a background in management training and also runs his own business.

Since the pioneering Harrogate scheme was set up, in December 2011, he and his team of experts have helped more than 250 people, 70 of whom are now running their own businesses.

They include dog walkers, cafe owners, piano tuners, online beer retailers, urban landscape designers and artists. "Some are not making much, some are doing very well. But to have 70 people trading now, that is fabulous. Some have even gone on to employ others," he says.

Two of the new start-ups – a sports moisturiser manufacturer and a chocolate shoe maker – have even won national recognition after winning one of the TV Dragon Theo Paphitis's small business awards. "To have two people featured from our course is amazing," says Dakin.

He has a simple message for anyone consid-

Out & about

ering starting out: "Figure out who is going to buy your products. If you can find enough of them, what are you waiting for? Once you reach them, that's when you start to make progress."

Two of the areas Enterprise Gateway focuses on are finance and marketing. "These are the two potential pitfalls. Getting finance is a challenge, although it is getting better. Right now is a good time because the economy is picking up and it is possible to get a bit of funding again. How much and at what rate, that's the tricky bit."

Experts run workshops on everything from tax to how to use Facebook and Twitter, with a lawyer giving advice on intellectual copyright and an ex-bank manager on applying for a loan. How to write a business or marketing plan, finding and keeping customers and managing money and profit margins are just a few of the other courses on offer.

Dakin's experience of running his own successful management training business, working for local authorities and the health service as well as for commercial businesses, has proved invaluable and he has built up a large business database, providing information and advice on a huge range of topics. "If you, say, want to be a worm farmer, I have information about it," he says. "People on the courses tend to share skills and help each other too."

The council also offers grants of up to £2,000 after six months to those businesses which need a financial boost after their initial start-up phase, but before they are able to get loans from banks.

Some of his students decide to go back into paid employment, but Dakin says this doesn't mean they have failed. "We had a 20-year-old running his own car valet business, but a large international valeting company wanted to set up a regional base and get him to run it for them. He went for the secure job and salary. That was a success for him."

■ To book a free one-to-one appointment at the Enterprise Gateway email: enterprisegateway@harrogate.ac.uk

Being made redundant from his job with an insurance company spurred keen cyclist and father-of-two Rob Pillar, 45, to realise his dream of opening a bike shop in North Yorkshire

Company: Pedalheads Cycles, a shop selling and servicing road, mountain and children's bikes, accessories and clothing.

Opened: January 16, 2014

Who are your customers? All sections of the community, from grandparents to club riders

What is your career background? Risk management and emergency planning.

Did you have to retrain? Yes, in cycle maintenance training.

What drove you to set up your business? I have been made redundant three times, but previously took the 'safe' route, going back into the same work as before. This time I decided to open my own bike shop, something I have wanted to do for years.

What made you confident it would work? Thanks to the success of people like Sir Bradley Wiggins and with the Tour de France coming to Yorkshire, cycling is more popular than ever. That, combined with support from family and friends, has helped me believe it is worth doing

How much did you invest? More than I expected, but I still sleep at night

What was your biggest challenge? Setting up a business from scratch in a recession after being an employee for 26 years.

How did you tackle it? Constantly taking advice and trying not to be afraid of getting it wrong.

How did Enterprise Gateway help? By providing lots of small pieces of useful, tailored advice, delivered by people who understand what it's like to set up a business.

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I get to play with bikes all day



What has been the most important thing you learnt? Get your cost-base right and stick to what you know.

How do your working hours compare? Similar to before, with a much shorter commute, but there is more evening "homework".

What was your biggest sacrifice? Giving up holiday pay and a funded pension scheme

What are the best and worst bits about being your own boss? I get to play with bikes all day but am still not in any kind of routine. Sometimes it would be useful to have someone tell me what I should be doing next.

Where do you see your business in ten years' time? I'm not sure. But in five years, I hope we will be profitable and also that the fun everyone tells me I'll have working for myself will have started.

What is the one piece of advice you would give anyone setting up their own business? Think hard about whether this is really what you want to do. Expect to make mistakes and learn from them.

■ Pedalheadscycles.co.uk, Cheapside, Knaresborough, North Yorkshire. T: 01423-866163