

THE WEEK AHEAD



Guy Shone explains the market  @GuyShone

Let it grow... how small businesses can prosper

ROYAL Bank of Scotland will start contacting 1,800 businesses this week after admitting mis-selling loans under a government-backed scheme. RBS said it failed to properly explain the protection offered under the Enterprise Finance Guarantee scheme in a number of instances.

Alison Rose, CEO of commercial and private banking, stressed the importance of the scheme and added she was 'not happy' with how her colleagues had dealt with the cases.

Concerns about lending levels to small businesses remain despite Bank of

Banks need to keep pace with change... 2.9m businesses are run from home and contribute about £300bn to the UK economy

England data showing a rise in year-on-year gross lending since April last year.

Amelia Rope, founder of luxury chocolate brand Amelia Rope Chocolate, gave up almost everything to start her business and was even house-sitting for friends to keep cash flowing.

'The point I really struggled was when

banks shut their doors on me, but I refused to give in,' she said.

'A confirmed order from Selfridges was enough to keep me going. I managed to raise £7,000 through my family and friends which took me on the inspiring journey I am on now.'

Business ownership is changing and banks need to keep pace.

Official figures show 2.9million businesses are run from entrepreneurs' homes and contribute about £300billion in annual turnover to the UK economy.

'Solopreneurs' is a term used for the

growing number of single person business owners who outsource tasks and often collaborate to serve customers.

This breed of micro-business owner will not always wait weeks for online banking access or tolerate partners who don't truly understand their business.

Alternative options for small businesses looking to grow are increasing. The Department for Business, Innovation & Skills launches its Get Britain Working initiative this week. The campaign includes information on extra support for jobseekers, start-up loans and new rules on flexible working.

Timo Schmidt, co-founder of recipe kit service Gousto, said: 'We took on an

investment of £125,000 from the Angel co-fund, and the government followed

with a further investment. We grew by 900 per cent in 2013 and have hired 75 people in the last year.'

Guy Shone is a researcher and market analyst. He is the founder of industry research group ExplaintheMarket www.explainthemarket.com

Help for small business owners and interested jobseekers:

- 1. If you are an SME owner looking for support, visit www.greatbusiness.gov.uk**
- 2. If you are a jobseeker considering joining a small firm, get free advice by visiting <https://nationalcareersservice.direct.gov.uk>**
- 3. To be involved in Get Britain Working week, look up #GetBritainWorking on Twitter**