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Important Changes at Lochroe

Well it looks like summer has arrived and will hopefully hang around for a while this year. The change of season has also brought about changes at Lochroe and we will be a bit self indulgent and tell you more about these below. These changes are good timing as very little else is actually happening – certainly nothing new. The government continues to get itself into a bit of a mess, fuel prices continue to stay at an astronomical level and the “credit crunch” carries on with most banks struggling to lend money. It is not all bad news though, Queen of the South played a great game against Rangers in the Scottish Cup Final and charge forward to European football next season!

All Change at Lochroe

The current financial environment is strange to say the least. Despite many press releases to the contrary, lenders are finding it very difficult to lend money. Deals that would have sailed through six months ago with a choice of lenders are now struggling to find a single lender to back them. It has therefore been necessary for us to review our charging model for client work and from 1 June we will be implementing a day rate for each client we work with. This is £500 + VAT and will replace the percentage of finance raised or savings generated. We may still implement a small success fee depending on the case in question.

The 20% commission payment which we offer to introducers will remain and will be calculated against any commission generated from the lender rather than the day rate charged.

We will still hold telephone conversations with any prospective client and gladly review any financial documentation and business plans without obligation or charge. As before we will discuss our fees in advance with the client and they will know how much our service is likely to cost before agreeing to go ahead. We envisage that the vast majority of cases can be completed with less than two days of our time.

Lochroe is very well placed to help your clients find the funds that they are looking for. We work with around 70 lenders including over 20 business banks and have more than 150 contacts in the business banks alone – we know where your clients have the best chance of getting money.

For all future telephone contact, either call Mark on 07980 719 265 or Phil on 0771 537 0795

UK would-be Entrepreneurs hold off

According to figures released recently in the 2007 Global Entrepreneurship Monitor (GEM) report few people in Britain expected to start their own business in the near future.

The GEM research consortium measured entrepreneurial activity of working age adults in 42 countries, making it the world's most authoritative comparative study of entrepreneurial activity in the general adult population. GEM UK has been studying comparative entrepreneurial activity since 1998 and is the largest national study of entrepreneurial activity in the world, with a 2007 sample of 42,713 adults aged 16-64.

The purpose of this work is to monitor the changes of activity, identify the reasons for those changes and identify policy that would enhance individual entrepreneurial activity.

People start their own business for two main reasons. These are recognized by GEM as necessity entrepreneurship, which involves starting a business because one has no other employment option, and opportunity entrepreneurship, which as the name suggests is based on the perception of an opportunity in the market. The UK's rate of necessity-driven entrepreneurship, at 6%, was the lowest of any participating G7 country, while its rate of opportunity-driven entrepreneurship (4.4%) was higher than that of France (2.2%) or Italy (3.7%) but lower than that of the US (7.7%).

According to Dr Jonathan Levie who is senior lecturer at the Hunter Centre for Entrepreneurship this may be explained because in 2007 much of Britain was near full employment. In addition, those that were not, were protected by a comprehensive social security system which removed the need to find alternative solutions through starting your own business.

What makes these findings interesting is that whether through necessity or choice would-be entrepreneurs need to be able to see an opportunity and more importantly be confident they have the ability to meet that opportunity. The study shows that the reluctance to start a business was not due to a lack of either criterion. For example, 39% of British adults thought there were good opportunities to start a business, compared with 23% in France, 40% in Italy and 25% in the US. Similarly, 49% of Britons thought they had the skills, knowledge and experience to start a business compared with 34% in France, 51% in Italy and 48% in the US. Britons were also less likely to fear failure than their European counterparts.

Although the UK bankruptcy laws are now among the most entrepreneur-friendly in the world, it's evident there is still a high perceived risk in going out on your own. According to a survey conducted by Durham Business School, most people still think that the failure rate of new businesses is very high. So a lot still needs to be done to get across the message that relatively few new businesses fail in the early days and education about how potential start-ups can test out their business concepts before they start thereby reducing their risk considerably.

Now in mid 2008 it's easy to appreciate potential reluctance but 2007 was a very prosperous year – until the sub prime problem came to view. The knock on effect of that has caused an economic slow down and businesses who sought money for growth or development have found it increasingly difficult to access funding. If existing businesses, with track record and experience are finding it hard to find the capital they need it's likely to be even tougher for would-be entrepreneurs, certainly in the short term.

As the economy balances out and the banks stop behaving like Ebenezer Scrooge and start doing their job again things should return to "normal". With that entrepreneurs will jump in and pursue their opportunities. Some will succeed and some will fail but it's the jumping in that's important. Government legislation needs to keep a focus on making that dream a possibility and supporting a young business in its early years. As Dr Jonathan Levie rightly points out, "if you wind back the tape of experience of the most successful entrepreneurs, you often find first business experiences that look weak, opportunistic and not sustainable." Those first tentative steps into business are essential for future success; people learn valuable lessons that propel them on to bigger and better things. Every great entrepreneurial success story from Richard Branson to Dell computers can find its roots in a fledgling venture.

Times of economic uncertainty have historically offered entrepreneurs great opportunities to prosper when others are running for cover. So if you are a would-be entrepreneur perhaps there will be no better time than now to grab the opportunities you see and trust your ability to make it happen.

Lochroe to Loch Lomond update

For those of you that have been following our progress you will be pleased to hear that we have less than 20 days now before the big walk. Practice has been going well and we managed to do the actual walk over a two day period in 21 hours – all of the team except Phil who mysteriously came down with a stomach bug the morning of the big practice.

We are delighted to say that we have reached the £3000 mark. For those of you that are still considering sponsorship remember that every £1 goes towards the Scottish Community Foundation. You can sponsor us online by following this link

<http://www.caledonianchallenge.com/sponsorship/online.php>



The training just never stops for Lochroe to Loch Lomond here we are training for the celebrations at the end of the walk!

Quid Quote:

"There are three reasons to be in business. To make money, to have fun – and to make money!" Theo Paphitis.

Nowt Queerer than Folk...

Police said a lawyer demonstrating the safety of windows in a downtown Toronto skyscraper crashed through a pane with his shoulder and plunged 24 floors to his death. A police spokesman said he fell into the courtyard of the Toronto Dominion Bank Tower as he was explaining the strength of the building's windows to visiting law students. Hoy previously had conducted demonstrations of window strength according to police reports. Peter Lauwers, managing partner of the firm Holden Day Wilson, told the Toronto Sun newspaper that Hoy was "one of the best and brightest" members of the 200-man association.

Our Services

Bank review – Aimed at reducing the cost of banking, making sure that the right structure is in place.

Finance Raising – Secure the best structure of finance for your business.

Asset Finance – Leasing, Contract Hire, Hire Purchase, or simple loans to acquire assets – we can advise on the best method and find competitive rates.

Merchant Services – We help your business to reduce the cost of accepting debit/credit cards.

Your Banking Contacts



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