

Better Business Focus

Essential reading for managers and entrepreneurs



**How To Improve
Your Listening Skills**
By Clare Evans – Page 1

Better Business Focus aims to be the essential key for business owners and managers. It achieves that aim by focusing on the way in which successful businesses in the UK and elsewhere compete and manage their organisations.

It focuses on how people are recruited, coached and developed; on how marketing and selling is undertaken in professional markets as well as in markets with intense competition; on how technology and the Internet is reshaping the face of domestic and home business; and on how people are being equipped with new skills and techniques. In short, it's a focus on a better way to do business.

October 2006

How To Improve Your Listening Skills

By Clare Evans

1.

Careful, There Be Dragons!

By Owen Ashby

2.

The Inspiration For Innovation

By Paul Sloane

3.

IKEA, MUJI, ILVA – Are You The Garden Centre Equivalent?

By John Stanley

5.

How Joint Ventures Can Catapult You To Success

By Michael E. Angier

7.

10 Things To Consider When Starting A Business

By John Bancroft

8.

The Truth About Lying

By John Boe

10.

Strategic Risk "STRATrisk": A Guide for Directors

11.

Mergers and Acquisitions- A Guide For SMEs

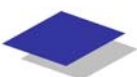
By Phil Shipperlee

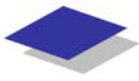
12.

The Mindful Leader

By Dr Ronald Alexander

14.





How To Improve Your Listening Skills.

By Clare Evans

Listening is one of the most effective communication skills we can learn.

For it to be really effective we must learn to 'actively' listen. Normal everyday listening allows us to think about what's being said, form a response, and offer a solution or advice. We might just be waiting for them to stop talking so we can jump in with our own opinion or perspective.

However, listening is about more than what's being said. What are the words being used? What is the tone of voice, what feelings are being expressed? What is the body language of the speaker?

Active listening is about listening to what the person is saying without jumping to any conclusion or interpreting what they're saying according to your own perceptions. When we listen to someone speak, we do so at a number of levels from the superficial 'only half listening' to the total focus of deeper listening.

Superficial – they're not really there, thoughts or attention are somewhere else and the interest is low. They may make the right 'listening' noises, nod and murmur agreement but the person isn't really listening.

Level 1 – What does this mean to me? We hear the words but are using our own interpretation and judgement to decide what it means to me. There may be a need for more information. Someone listening at this level is likely to impose their own opinions and thoughts on the conversation.

Level 2 – This is good for general conversation. The listener

is focused on the other person and not what's going on around them. At this level the listener may be leaning forward, head to one side, making appropriate eye contact, shows they are listening. They are aware of the speaker's feelings as well as the words being said. Keeps focus in order to fully understand. Is able to summarise and clarify what's been said.

Level 3 – This is a much deeper level of listening. It's about listening for what's not being said. Using your intuition to truly understand the other person and what they're feeling. The listener is totally focused on the other person and totally unaware of themselves, their thoughts or anything else. This level is used by counsellors, coaches and therapists.

How To Improve Your Listening Skills:

Face the person, make appropriate eye contact and nod your head or make appropriate sounds or gestures to show you're listening.

When encouraging someone to talk – don't ask 'closed' questions that simply require a 'Yes or No' answer but ask 'open-ended' questions – how, what, when, where ...?

If you catch yourself being distracted or drifting off in your own thoughts – be honest and apologise to the speaker – "Sorry, I was thinking about what you said earlier, could you repeat what you just said". Focus your attention back on the person in front of you.

Try listening not just with your hearing but with all your other senses. What is the person really saying? Do the words match the tone and energy of the speaker? How do they feel?

Summarise what's been said to you to show you understand.

Be aware that when you listen, you are listening from your own point of view of the world and that your listener may have a different perspective on things. Take your cue from them.

Notice your conversations over the next few days. When are you really listening? What difference do you notice when you change the way you listen.

© Copyright 2006 Clare Evans

About the Author:

Clare enables busy individuals and small business owners to improve their planning and organise their time *more effectively*. Discover how to plan and prioritise your time to be more productive. Spend your time doing **what matters** and stop worrying about the things that **don't**. Get a free Weekly Time Tip from <http://www.clareevans.co.uk> when you register for her free monthly newsletter.

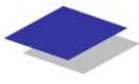
Coordinates:

Email: claresnews@aweber.com
Web: www.clareevans.co.uk

Spend a lot of time talking to customers face to face.

You'd be amazed how many companies don't listen to their customers.

Ross Perot



Careful, There Be Dragons!

By Owen Ashby, Founder Director, ThinkSmart Marketing

think**smart**marketing

One unlucky company told us that not only had their campaign been sent to the wrong kind of people, but it had also gone to all their competitors.

Not only a considerable waste of time and money and hugely embarrassing, but also potentially extremely damaging.

Just recently, we've had a number of organisations coming to us having had an extremely bad experience with eMarketing. It appears there are some approaches out there which promise the earth, but in fact just don't deliver.

People are being offered access to vast databases of "opt in" subscribers, all of whom are apparently ready and willing to hear their message. Compelling I know, however, there are some real and genuine concerns with this approach.

If you decide to go down this route, make sure you're aware of the pitfalls.

Firstly, you only get the details of those people who respond – so you learn nothing of those who don't, and of course you can't apply the rule of seven touches. Be sure, you will never "out market" a company that owns and works its own database properly, no matter how many thousands of people you shotgun your message to.

Perhaps what's worse is that you can't be sure they're actually going to the right people!

One unlucky company told us that not only had their campaign been sent to the wrong kind of people, but it had also gone to all their competitors.

Not only a considerable waste of time and money and hugely embarrassing, but also potentially extremely damaging.

Of course you also get the promise of a guaranteed "click rate". That too is compelling until you understand that the only way this can happen is if the database it's sent to is continually extended beyond the agreed profile or remit, until the law of averages applies and of course, your message is going to entirely the wrong audience if not your competition.

Again the same issue applies. You're going to look pretty silly inviting a CEO of a company in Glasgow to a breakfast briefing in Devon.

Then there's this "opt in" promise.

Apparently, board-level decision makers have personally opted in to receiving marketing messages from these organisations.

There are 1001 things that are misleading and wrong with this, but to keep it brief, ask yourself, as a "senior decision maker" would you wittingly "opt in" to receiving email bulletins from a company you know is going to sell access to your inbox over and over and over again to just about anyone who has budget enough to pay!?

I think not.

And then there's the time issue. It appears to take more than a month to get your campaign out. Is this because the organisations involved are so busy or because the process is so complex? Or is it because they can't be seen to send out to their "opt in" database too many times in one period?

"But isn't this just knocking copy?" (Bad-mouthing the competition) I hear you shout.

Let's be clear, we have nothing but respect for most of the competition we come across. We work on joint projects with a good deal of them.

However, this approach goes against not only every bit of marketing best practice you could possibly muster, but also against every ounce of common sense and reason.

So beware, all that glitters is not golden.

Quick fixes do exist, but only once you have your foundation elements in place.

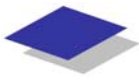
This kind of marketing should be left to "pile 'em high sell it cheap" market traders and those who continue to push genitalia enhancing pills. Taking a considered and intelligent approach to eMarketing is no more costly in the long run. It will net you staggering returns will present your organisation in the right light and will enable you to build cost effective, profitable relationships with your customer base.

© Copyright 2004-2006 ThinkSmart Marketing



Further Information:

If you would like more information about Think Smart Marketing or wish to discuss your own requirements further, call them now on Tel: 0044 (0)1525 288828; or mail them at: Think Smart Marketing (info@thinksmartmarketing.co.uk) Unit B2, ARC Progress, Ridgmont, Bedfordshire, MK43 0RD



The Inspiration For Innovation

Harness the entrepreneurial power of your people and your business will thrive.

By Paul Sloane

Leaders constantly strive to increase efficiency, implement best practice and deliver increased performance. Their goal is to make the business model work better. They seek to improve profitability through efficiencies of scale and cost reductions.

But there are limits to cost saving. In a global economy, competitors in lower-cost countries can beat you at that game. The best way to create value is to innovate your way ahead of the competition. You need to find new business models that create temporary monopolies where yours is the only show in town. You can do this by harnessing the creative power of your greatest asset: your people. The goal is to turn them into opportunistic entrepreneurs who are always looking for new ways of doing business.

A copy-machine operator at Kinko's, a chain of copying and document services stores, noticed that customer demand for copying dropped off in December. People were too preoccupied with Christmas presents to do much copying for the office. So he came up with a creative idea: allow customers to use Kinko's colour copying and binding facilities to create their own customised calendars using personal photos for each of the months. He prototyped the idea in the store and it proved popular.

The operator phoned the founder and chief executive of Kinko's, Paul Orfalea, and explained the idea. Orfalea was so excited by it that he rushed it out as a service in all outlets. It was very successful and a new product – custom calendars – and a new revenue stream were created.

This kind of creative energy should be the goal for every organisation. How can you make all your staff into creative entrepreneurs? How can you energise people to see problems not as obstacles to success but as opportunities for innovation?

To build a truly innovative organisation you need to have a vision, a culture and a process of innovation.

Paint the vision

Start by painting a vision that is desirable, challenging and believable. If you can do this there are big gains for the organisation. Staff, share a common goal and have a sense of embarking on an adventure together. This means they are more willing to accept the changes, challenges and difficulties that any journey can entail.

It means that more responsibility can be delegated. Staff can be given more control over their work. Because they know the goal and direction in which they are headed, they can be trusted to steer their own way.

People will be more creative and contribute more ideas if they know there are unsolved challenges that lie ahead. They have bought into the adventure so they are more ready to find routes over and around the obstacles on the way.

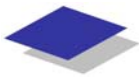
Vision statements should be short and inspiring. They should avoid vague clichés about outstanding customer service. The vision should not be restricted to today's type of business; it must set a goal that gives employees enormous freedom in finding ways to achieve it. The pharmaceutical giant Glaxo SmithKline has a mission 'to improve the quality of human life by enabling people to do more, feel better and live longer'. They do not define their mission in mundane terms of drugs or medicines or markets but in inspirational terms of helping people do more, feel better and live longer.

Just painting the picture is not enough. It quickly fades from view if it is not reinforced constantly. Great leaders take time to meet staff. They illustrate the vision, the goals and the challenges; explain to staff how their role is crucial in fulfilling the vision and meeting the challenges.

Empowering

You cannot deliver change on your own. The best source for the idea-generation and creativity needed for innovation is the team. To turn them into entrepreneurs who are hungrily looking for new opportunities you first have to empower them.

The purpose of empowering people is to enable them to achieve the change through their own efforts. They need clear objectives so they know what is expected of them. They need to develop the skills for the task. They need to work in cross-departmental teams so they can create and implement solutions that will work across the organisation. They need freedom to succeed. And when you give



The goal is to change the organisation; to achieve a metamorphosis from a routine group of people doing a job to a highly energised team of entrepreneurs constantly searching for new and better ways of making the vision a reality

someone freedom to succeed you also give them freedom to fail.

People want to understand and agree what is expected of them. The scope of their freedom and responsibility must be agreed. They need training, coaching, reinforcement and encouragement. They need support in acquiring creative problem-solving skills, and encouragement to be brave enough to come up with radical innovations. Above all, by giving people trust, support and belief, you will empower them to achieve great things.



Overcoming fear

People are anxious about change. Change is uncomfortable. Change means winners and losers. It is natural that people will prefer to stay in their comfort zones rather than risk an embarrassing or costly failure. You should spend time with people encouraging them to undertake risks and reassuring them that those risks are necessary and worth taking. Fear of failure often inhibits people from pushing themselves to new limits. You have to show that doing nothing has its risks too; that staying in the corporate comfort zone is a dangerous option. You have to reassure them they will not be punished for taking risks, for worthwhile failures. Of course, taking risks means taking calculated risks not wild risks. Every employee who is undertaking a risky initiative needs freedom, but they need mentoring and guidance too.

Once again, communication is the key. Informed people do not fear change. As Dick Brown, former chairman and chief executive of EDS, put it: 'People are not afraid of change. They fear the unknown.'

Using innovation techniques

Can creativity be taught or is it a rare talent possessed only by a few gifted individuals? The answer is that every one of us can be creative if we are encouraged and shown how to do it. We were all imaginative as children, but most people have their creative instincts ground down gradually by the routine of work. With proper training, people can develop skills in questioning, brainstorming, adapting, combining, analysing and selecting ideas. They can be the innovative engine your organisation needs. Finding creative solutions is a process that can be built into the culture of the organisation. This is done by techniques, methods, workshops and a pervading attitude of encouragement for crazy ideas.

The goal is to change the organisation; to achieve a metamorphosis from a routine group of people doing a job to a highly energised team of entrepreneurs constantly searching for new and better ways of making the vision a reality. We want to use creative techniques to drive innovative solutions to reach the goal. But just encouraging innovation is not enough. You need to initiate programmes that show people how they can use creative techniques to come up with new solutions. People need training to learn the skills and develop the confidence to try new methods.

Innovation involves the generation of many ideas in response to a given issue or challenge. The ideas are then whittled down to the most promising. The key is to move rapidly to prototyping the best ideas.

Businesses that are fast to market carry out quick pilot tests rather than spending months in paralysis by analysis. For new products, innovation projects go through a number of evaluation gates to test feasibility, attractiveness and payback. Those that pass are given more funding.

The innovative organisation

Leading innovative companies such as Google, Apple, 3M, Virgin, eBay and Nokia set an inspiring vision, empower their people, allow time for innovation and prototyping and have a restless curiosity for the new and adventurous. They see technology as an enabler for innovation and new business models rather than as a way of improving efficiency in the current model.

Innovative organisations are constantly trying new products, new processes, new business practices and new partnerships. Their people share open, questioning, empowered and entrepreneurial cultures.

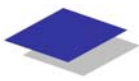
The leaders of these organisations know that innovation is the only way to remain agile and ahead of the competition. After all, it is the innovation of today that becomes the best practice of tomorrow.

About the Author:

Paul Sloane was managing director of Ashton-Tate and chief executive of Monactive. He is the founder of Destination Innovation (www.destination-innovation.com/), which helps organisations improve innovation. His book, *The Leader's Guide to Lateral Thinking Skills* (www.leader-values.com/Content/detailPrint.asp?ContentdetailID=132) is published by Kogan Page.

Best practice - Ten steps to creating a truly innovative and entrepreneurial organisation:

- Paint an inspiring vision.
- Build an open, receptive, questioning culture.
- Empower people at all levels.
- Set goals, deadlines and measurements for innovation.
- Use creativity techniques to generate a large number of ideas.
- Look outside for ideas
- Review, combine, filter and select ideas.
- Prototype promising proposals.
- Manage risk and accept failure.
- Kill off the unpromising projects and quickly roll out the successful ones.



Delivering Retail Customers

IKEA, MUJI, ILVA – Are You The Garden Centre Equivalent?

By John Stanley

Is it evolution or is it a revolution? Whatever your opinion, lifestyle retailing is definitely changing and the garden centre scene will be very much part of the changing movement.

A few years ago it was the DIY stores that were looked on as the innovators, but press releases in recent times indicate clearly that the DIY movement is finding it difficult to grow the market and consumers has turned to the DIM movement and the innovators have changed.

The retail changes have already started in the inside room and it will not be long before the outside room follows suit. The lead will come from either inside the industry or from new names who see a new opportunity. Hence, the title to this article Generation X have been fans of IKEA for a number of years, but new names are now appearing who see an opportunity in the interior room market.

What is now a furniture war could very soon become a plant war!

The new trends are consumer led. A few years ago consumers were keen to go to home improvement stores and build furniture themselves, in a more affluent society that trend has changed and consumers are now looking for fashion ideas they can buy ready made to enhance their homes. The trend is contemporary with a number of retailers now providing their own range of IKEA-esque designs for the consumer; new names are also looking at the trend. ILVA from Denmark are building mega furniture fashion

stores around Europe, whilst Zara, the Spanish icon fashion store is moving into furnishings for the home. Their new department names include White, Classical, Ethnic, Colonial, Chic, Kids and Modern. Gone are the days when they used Manchester, kitchenware, bedroom linen and put lamps all in one department. Companies such as MUJI are starting the same trends coming from Japan and other new retail names are starting to have an impact on the traditional furniture retail sector.

As outdoor fashion retailers we need to monitor the indoor retail sector very closely and learn from the trends and fashion statements taking place. To fall asleep in retailing today is dangerous.

The box stores are trying to catch up and are starting to reinvent themselves, but are coming from a product led angle, while the new players in the market are from fashion and are coming to the market place from a different angle.

The new names in lifestyle retailing realise the market revolves around some key retail drivers, these are primarily:

Less is more. Consumers want a simpler look in their homes and in their gardens. They are looking for retailers that understand where they are coming from. Clutter is very much out of fashion.

Consumers expect you as a retailer to lead them down the fashion road. They search out retailers that understand fashion.

They want a retailer who can put the complete picture together for them. They are looking for inspirational indoor and outdoor rooms not rows of product.

They are searching out businesses where the sales team understand and can advise on fashion statements for indoor and outdoor rooms.

Consumers are prepared to travel to find an outlet that meets their desires. Look at the frenzy of shoppers when a new IKEA opens in a new catchment area.

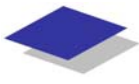
The consumers are buying a brand look rather than a mix of different looks from different retailers. They want the Habitat look or the Zara look.

These retailers realise that the garden is the next battle field. In fact Habitat stores I have visited in Europe are already offering a strong outdoor living option to the consumer.

They realise that they are dealing with a consumer that is short on time. The latest innovation that I have come across is Linden Homes with their finishing touches brand in the UK. To my knowledge they only have one flagship store to date, but it is unique if you wish to visit the store, you phone them up, make an appointment and then they pick you up in the company limo. Imagine a garden centre with that offer!

Is there a message for garden centres?

I believe the answer is yes. Over the years the traditional retailers who have tried to compete at the commodity end of the market have been squeezed out by the box stores. Now there is a new competitor entering the industry of lifestyle retailing who is coming



from the fashion market; where the box store knew supply chain management better than most retailers. The fashion retailers know female shoppers and their buying habits better than anyone else (although I would not argue with anyone who said Zara were one of the best supply chain management retailers in the world).

These new retailers have the consumer walking in their door looking for lifestyle statements and realise outdoor living is a high gross profit zone for them. Their main challenge is how do they bring in the plant offer to the retail mix?

In my mind this is an opportunity for the independent garden centre industry and an opportunity that if we don't grasp, these new players will grasp it instead.

What do we need to do to grasp the opportunity? I have a number of clients around the world who have changed their garden centre experience completely for the consumer, gone are the rows of plants and in their place are garden room settings based on local trends. Imagine the plant area that is laid out like Zara with themes such as Classical, Colonial Modern or White. While this is a huge jump for some retailers to grasp, others are seeing the benefits and changing to a living rooms concept.

The consumer now looks on integrated merchandising as the norm, when she goes to the fashion shop she expects to see the LOOK. In other words the dress, handbag and often jewellery are displayed together, when she goes to the indoor living store she expects to see the tableware, napkins, table and chairs all together. When she visits the lifestyle garden centre she expects the same offer, she expects the containers to be associated with the right plants and given ideas to match her thinking process. She expects plants to be displayed based on colour themes rather than in standard rows and products separated by "walls" she does not understand. She is in the ideas and solutions market and therefore product categories in the garden

centre need to meet her needs. The modern retailer understands this while the more traditional retailer looks on the problems of material handling, watering and other internal issues which have become barriers in their minds. The same, I'm sure was the same when the indoor lifestyle retailer started their business models of change. Those that resisted became the dinosaurs of their industry.

What about the Plant Buyers!

The challenge of our industry is that to survive, like other industries, we have to change to attract new customers with a new offer, whilst at the same time keeping our existing customers, who are often more traditional in their approach. This is an issue I have discussed with many of our clients who go through the change process. Plant Hunters love to go exploring along rows of plants to discover the hidden gem and we should encourage them to do this as it provides a unique experience in the garden centre. These types of consumers are our library shoppers and we should provide a section of the garden centre that looks like a traditional library. Create a zone where they can browse through rows of plants where they are displayed in Latin order. But at the same time provide stories on the plants. The story in my mind is a critical element as you still need to be conscious of the sales per square meter you need to achieve, this is still a retail area and retail laws still apply to this section.

The one category the new players in lifestyle retailing are unsure about is the plant category. I'm sure they would love to integrate plants, but they do not have the knowledge, know the stories, or have the technical experience to put the patio and garden category together. This is their Achilles heel and the existing independent retailer's strength, but we just need to repackage the offer.

As I write this article I'm working with a group of garden centres who are in the process of change. Some have started the journey while others have not yet started the journey. For confidentiality

reasons I will not release the names or country where this development is taking place. But we are closely monitoring sales per square metre to ensure that the formulae work for them. In the indoor areas the companies who have changed the model into room settings have seen a six-fold increase in sales, when it comes to the outdoor sales area the increase has been five-fold increases in sales per square metre. These figures are in keeping with other retailers we have worked for and highlight the opportunities that exist in the market place.

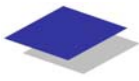
Where do you start?

I had a recent enquiry from a garden centre owner who asked this very question and he asked which garden centre he should look at in his area who had made the right changes in my view. My response was that he should not look at retailers within the sector, but to look at retailers outside the sector who were chasing the same share of wallet. I suggested his local IKEA and other stores to look at. He came back to me enthused to make the changes, but his concerns were very valid and one I always discuss with our clients.

These are:

1. Have you got the right team with the right vision to make the changes?
2. Are you prepared to integrate your categories differently to other retailers in the industry?
3. Does your team know what they need to do to be the best in the consumers mind when it comes to the retail experience in your garden centre?
4. To take a message from the 1960's music group the Kinks are you prepared to "be a follower of fashion"?

A few years ago consumers were keen to go to home improvement stores and build furniture themselves, in a more affluent society that trend has changed and consumers are now looking for fashion ideas they can buy ready made to enhance their homes.



This is an exciting time to be in the garden retail industry, a time of change and innovation.

Perhaps the best way to finish this article is to quote Steve Job, the CEO of Apple Computers. When he was asked about innovation his response was:

“Innovation..... It’s not about money, it’s about the people you have, how you’re led and how much you get it”.

© Copyright 2006 John Stanley

About the Author:

John Stanley is a conference speaker and retail consultant with over 20 years experience in 15 countries. He regularly contributes to retail magazines around the world and has co-authored several successful marketing and retail books including the bestseller Just About Everything a Retail Manager Needs to Know.

John Stanley Associates produce an e-newsletter specific to retailing; this includes innovative ideas and advice to help you grow your profits. If you would like to receive a regular copy, please visit www.johnstanley.cc or email newsletter@johnstanley.cc

Coordinates:

John Stanley Associates
142 Hummerston Road
Kalamunda
WA 6076
AUSTRALIA
Tel: +0061 8 9293 4533
Fax: +0061 8 9293 4561
E-mail: info@johnstanley.cc
Web: www.johnstanley.cc

In the new economy, information, education, and motivation are everything.

Bill Clinton



How Joint Ventures Can Catapult You To Success

By Michael E. Angier

Substantial opportunities for increased sales and profits are missed by not seeking out and implementing joint ventures. Strategic alliances also create value for the customer and save money and build future relationships for the partners.

They don't have to be complicated, and they can be negotiated and launched quickly.

First, a quick and simple example. A bank that sends its statements out each month is approached by a ski resort. The resort offers an exclusive introductory discount to the bank's clients.

1. The bank gets to look good by offering something of value to their customers at little or no cost to the bank.
2. The customers save money and hopefully become long-time customers.
3. The resort gains exposure and potentially new guests—with no mailing expense.

That's called a triple win. All it takes is a little imagination and the commitment to make it happen. The potential is substantial.

And they're fun. They provide some diversity and variety that makes work more interesting. Begin with giving more than you expect to receive. What can you offer another company? What can the other company provide that you don't have--or would be expensive to obtain? A little brainstorming, some planning and some follow-through, and you can easily create a profitable joint venture.

Do it once, fine tune it, and then do it again with the knowledge and experience you've gained.

The possibilities are endless.

The joint ventures you don't seek out and execute represent huge sums left on the table.

Put together a project team this week. Generate ideas on how and with whom you might partner. Create your triple win.

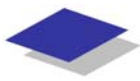
© Copyright 2006 Success Networks International

About the Author:

Michael E. Angier is the founder and CIO (Chief Inspiration Officer) of SuccessNet based in South Burlington, Vermont USA. He's a father, husband, writer, speaker, entrepreneur, coach and student. He's also the creator of The World Class Business™ Conference.

Coordinates:

For more information on Michael, go to: <http://successnet.org/bio.htm>
PO Box 2048 Win-Win Way
South Burlington, Vermont 05407-2048 USA
E-Mail: webmaster@SuccessNet.org



10 Things To Consider When Starting A Business

By John Bancroft

If you are considering starting your own business sometime soon, we have put together ten things you need to consider before taking the plunge. One thing you can be sure of is you won't be alone, over 396,000 new businesses were launched in England and Wales in 2004 – a 14% increase on the previous year, and a similar number followed in 2005, but what do you need to consider before taking your first tentative steps into a new and exciting world?

1. What product or service will you provide?

Most people start a business based on their existing knowledge and experience of working in a particular industry sector, whilst others spot a gap in the market, but you need to establish whether there is a market in the gap. Make sure you carry out research, with companies and individuals who don't know you – friends and family will generally tell you what you want to hear!

The next question you need to ask once you have decided on your products and services is 'so what?' In other words, what are your key differentiators, what makes your product or service unique? What

can you do that is better, faster, or cheaper than your potential competition? If you don't have an answer to this question you could end up as just another me too! You need to work out how to position your company and create a proposition for those all-important sales calls.

2. Nobody plans to fail...

Many companies don't make it past the first year because they fail to plan. You can increase your chances considerably by putting together a business plan even if you are the only one that will ever see it. A business plan should provide you with a map of where you intend to go supported by information on how you will achieve it. After all, you wouldn't plan a journey abroad without first establishing the costs, time scales, the language you need to speak when you arrive, and how you would reach your destination. 'The Definitive Business Plan' by Richard Stutely is the most comprehensive guide to business planning I have seen and is well worth a read.

3. Where will you work?

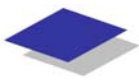
For countless people the prospect of working from home may be a life long ambition, but scores of people in this position already, find it difficult to focus and often feel isolated. Marcel Ekkel, independent project manager and consultant (SynergyhSnyQ Ltd) has worked from home for many years and said he copes by "planning regular meetings out of the house, doing grocery shopping to get some fresh air and uses online messenger applications to talk regularly to team mates".

Today there are many options of where to work open to us from leasing unfurnished office space, sharing with other businesses, to

working from managed offices such as Regus and HQ. With more competition in this market it is worth shopping around, but make sure you compare like for like, as some serviced offices offer no frills whilst others provide no end of value added services. You also need to be aware that if you need a registered office address not all managed offices will facilitate this requirement.

4. What's in a name?

The choices are endless, but there are a number of things to consider before naming your business. Will it be a family business? Do you want to grow it with a view to exiting after a period of 5 years? Do you need a web presence? Should the name of the business reflect what you do? Are you going to register the name as a trademark? The answer to all these questions is an article in itself but you should carry out a couple of basic checks. To register a company name is quite simple and costs in the region of £350 – £400 to register against specific product or service categories visit www.rockand.co.uk for more information. When choosing a company name log on to companies house (www.companieshouse.gov.uk) and check in both the existing and proposed names section of the website. Whilst you are there it would be also be advisable to review their list of 'sensitive words or expressions' to avoid. If you plan to set up a website, enter potential company names into a 'domain name' registration search site such as <http://www.netnames.co.uk/> to establish if somebody has beaten you to it. By creating and then going through a checklist in this way, it will save you time, money and potential disappointment in the future.



5. How will you structure the business?

Sole trader, partnership, limited liability partnership (LLP), limited company and plc, again there are numerous choices. "I'm not sure of the percentage, but sole trader is by far the most common for small one owner businesses, usually chosen for the simple registration process. Not always the best for tax or personal security, but this must be considered on a case by case basis," says Alistair Brown of Advoco Consultancy Services.

If you do take this route and trade under a company name you need to display the name and address of the owner at your premises and on your stationery, whilst limited companies must display their full corporate name on places of business and stationery as well as including registration details on all business letters and forms.

Most people launching a business for the first time ask – is it better to launch as a sole trader or limited company? One of the main things that you need to consider here is, as a sole trader you personally are carrying the risk if things go wrong, but by setting up a limited company you will limit your individual liabilities. Limited liability partnership has only recently been introduced and means that it is the limited liability partnership that would be liable for any debt rather than individual partners as with the ordinary style of partnerships.

6. Stay on the right side of the law...

by informing the Inland Revenue as soon as possible that you have started a business. You have 3 months in which to notify them from when you start a business. Failure to do so will result in a £100 fine and the potential loss of benefits. You must also check which class of National Insurance Contributions you will need to pay and you will find more information by visiting www.hmrc.gov.uk/startingup. If you intend to hold data on customers or prospects, you must register with Data Protection at an

annual cost of £35 that can be paid easily by direct debit on an annual basis.

For those who are considering setting up a company for the first time, you would be wise to seek professional advice from an accountant and a solicitor particularly if you are considering starting a partnership. You may all be friends at the start but this can soon change! It needn't cost a lot of money, but could certainly save you more money in the long term.

7. How will you market your business?

Many great new products and services never see the light of day due to poor marketing. Establishing a web presence, direct mail, employing direct sales people, networking, display advertising, – what approach will work best for your product or service? This again depends on what you are selling and it is better to use a number of different methods initially to see what works and then go for it. If you don't know where to start, it may help to find out how your competition are marketing their wares – if it works for them it could help to get you started!

8. Keep the cash flow...

flowing by setting out clear terms and conditions you are likely to deter, late payments and bad debts. Cash flow is the lifeblood of any company; ignore it at your peril! When you write your business plan you should have created a cash flow forecast, but don't lock it away, regularly review it and update it. Don't overstate projections and assume that because you have revenue coming in you will be cash flow positive. Another classic is forgetting to put money aside to pay your tax and VAT bills. Do allow a contingency fund for the unexpected, like an opportunity for cheap advertising or funds to buy a specific piece of equipment that will help you to work smarter or increase your product or service range.

9. Do I need to work with others or employ people?

Employing people brings with it risk, additional costs and responsibility. Unless you need to employ people at the very start, it is better to wait a while. With more people opting to be self employed in order to establish a better work life balance it is much easier to outsource activities that are not core to your business. If you do need to employ people, be aware that a raft of legislation and regulations comes into play when you have five or more people even if some are part time.

10. Technology

Some businesses don't need technology to operate successfully, maybe they're the lucky ones, but for most there will be a requirement to use a computer even if it is just to keep the books – unless if you outsource this activity to a bookkeeper or accountant!

Continual advances in technology now make it possible to work anytime and almost anywhere, you want. Whatever you do always make sure you regularly back up your data and your computer configuration. There are some great back up programmes on the market that are easy to use and you will sometimes see them on the free discs at the front of computer magazines.

Begbies Traynor, insolvency and business recovery specialists work with a number of businesses that are in trouble each year. An alarming 40% of businesses fail before the end of the second year and the main points of failure are no business plan, insufficient market research and poor cash planning. All that said a survey carried out by the company last year proves that the entrepreneurial spirit is alive and well, as one in five respondents involved in full time employment, who took the survey, set up a business of their own in 2005.

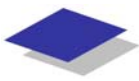
© Copyright 2006 John Bancroft

About the Author:

John Bancroft is the Managing Director of Incognate Limited and has over 20 years business, PR, sales and marketing experience. John has started several new businesses over the years as well as working in senior levels in a number of IT companies. Incognate is focused on helping businesses, operating in a business-to-business environment, to generate more new business through the creation and delivery of effective communication programs that create propositions and content delivering the right message to the right people and generating the right results for you.

Coordinates:

John Bancroft
Tel: 01844 213 201
Mob: 07967 388 308



The Truth About Lying

By John Boe

Some people can't tell a lie, others can't tell the truth and unfortunately, most people can't tell the difference. Can you tell when someone is pulling the wool over you're your eyes? Whether you're a lawyer selecting a jury, a manager interviewing a new agent or sales person making a presentation, you're ability to quickly and accurately discern the truth greatly enhances your effectiveness. Fortunately, having the ability to sort fact from fiction is an important communication skill that can be learned.

Aside from con men, compulsive liars and some politicians, most people become uncomfortable when telling a lie and transmit their deceitful behaviour through their body language. While they may sound convincing, their gestures speak louder than their words. Consequently, they reveal their deceit nonverbally. While it's not always easy to spot deceptive behaviour, there are many subtle yet discernable clues to the trained eye.

Body language is a mixture of movement, posture and tone of voice. Studies show that nonverbal communication has a much greater impact and reliability than the spoken word. Therefore, if a

person's words are incongruent with his or her body language gestures, you would be wise to rely on the body language as a more accurate reflection of their true feelings. During the selling process it's important to remember that body language is not a one-way street. While you're evaluating your prospect's body language for signs of honesty and credibility, he or she is subconsciously observing and reacting to your gestures as well.

Some People Can't Handle the Truth

The truth sometimes hurts and few business or personal relationships could survive the harsh reality of total honesty.

While honesty is certainly the best policy, the truth is, that in our day-to-day encounters, it's not always diplomatic or socially acceptable to be completely honest. To spare the feelings of others, we have learned the usefulness of telling half-truths, fibs and white lies.

During the selling process, some people have difficulty saying no and will actually tell you that they are interested in order to avoid potential conflict. As the pressure of making a decision builds, prospects will frequently use half-truths or lies to either stall or disengage from the selling sequence. While your prospect's words say yes, his or her body language indicates no way. By being able to recognise the inconsistency between your prospect's words and his or her gestures, it is often possible to flush out concerns, overcome their objections and make the sale.

See No Evil, Hear No Evil, Speak No Evil

Eye, nose and mouth movement, along with hand gestures, are the four major nonverbal cues typically associated with lying.

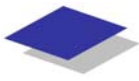
The statue of the Three Wise Monkeys accurately depicts the primary hand-to-face gestures associated with deceit. When a person is doubtful or lying, they'll often use their fingers to block their mouth as if they were filtering their words. This hand-to-mouth gesture is commonly referred to as "speak no evil". The second hand gesture associated with deceit is called "see no evil" and it occurs when a person rubs or touches his or her eye(s). The third hand gesture "hear no evil" is displayed when a person covers or drills a finger into his or her ear(s).

If people use one of these gestures while they're talking, it indicates that they are being deceitful. On the other hand, if they are displaying one of these gestures while someone else is talking it indicates that they doubt the truthfulness of what is being said. These three gestures should be considered red flags. When you encounter one of these gestures during your presentation, it is a good idea to gently probe the subject matter with open-ended questions to encourage your prospect to voice his or her concern.

In addition to the three hand-to-face gestures, eye movement is another reliable indication of deceit. It's normal for a person to look up to his or her left when thinking about the past and up to the right when thinking about the future. If you ask a person a question from his or her past and they look up to their right, they're making up a response. Law enforcement personnel and customs agents are trained to routinely monitor eye movement during interviews.

Micro Gestures

According to Paul Ekman, professor of psychology at the University of California, San Francisco, two of the most common micro gestures that are



associated with deceit are the nose wrinkle and the mouth curl. The nose wrinkle is the same gesture that occurs naturally when you smell something offensive. The other facial micro gesture is a slight downward curl of the corners of the mouth. Even liars, who make a conscious effort to suppress all of their major body gestures, will still transmit micro gestures. People sometimes lie, but their body language always tells the truth!

© Copyright 2006 John Boe

About the Author:

John Boe presents a variety of sales training and motivational programs for meetings and conventions. John brings over twenty years of experience as an award-winning sales trainer to the platform. To have John speak at your next event, visit www.johnboe.com or call (001) 877 725-3750. There is a free Newsletter available on the website.

Coordinates:

John Boe presents a variety of sales training and motivational programs.

John Boe International
P.O. Box 3286
Monterey, CA USA
Tel: (001) 831 375 3668

Web: www.johnboe.com
E-mail: john@johnboe.com

Meet John Boe:
www.johnboe.com/meetjohn.html

Seminars & Keynotes:
www.johnboe.com/seminars.html

The deed is everything, the glory naught.
Johann Wolfgang von Goethe

Strategic Risk "STRATrisk": A Guide for Directors





'Strategic Risk: a Guide for Directors' has been published to help directors manage strategic risk effectively. The guide has been produced by the Institution of Civil Engineers (ICE) and The Actuarial Profession, with research by the University of Bath and support from the Department of Trade and Industry (DTI).

The guidelines are aimed at directors of companies and public sector bodies and set out the various steps companies should take in order to manage strategic risks effectively. It stresses the need for 'risk leadership' within an organisation to establish the right culture and internal communications system. Strategic risks include loss of reputation, fraud, staffing, customer dissatisfaction, over-complexity and financial mismanagement.

The guide explains STRATrisk, a new and systematic approach which will help enterprises to focus on the risks which really matter and to manage them effectively.

Strategic risks differ from tactical risks, not just in magnitude but also in their nature. Really big

risks are often more dynamic, uncertain, and interconnected, and the STRATrisk Guide:

-  Shows why managing strategic risk needs a different approach;
-  Outlines a recommended methodology;
-  Stresses the necessity for the Board to provide risk leadership and create the right culture, internal communications systems, and risk management frameworks;
-  Discusses how to proceed in practice and outlines constructive tools such as horizon-scanning, concept-mapping, and pattern recognition.

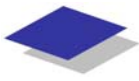
The development of STRATrisk was undertaken by a steering group led by Mike Nichols supported by a grant from the Department of Trade and Industry and underpinned by an extensive research programme conducted by the universities of Bath and Bristol. The guide was edited by Chris Lewin.

The approach outlined in the guide is supported by more detailed information contained in the CD-rom which accompanies it and includes a number of case studies and video interviews to further illuminate the ideas put forward. If you would be interested in purchasing a copy, please contact Mark Symons at Staple Inn, Tel: 020 7632 2133, fax: 020 7632 2131, email: mark.symons@actuaries.org.uk

Business Insight... Handle Mistakes Well

Loath as I am to propagate the wit and wisdom of Sir Richard Branson, one of the axioms that he has built into his businesses is that: "Mistakes are inevitable dissatisfied customers aren't". In any service industry – and they all are – this is patently true. Customers are remarkably tolerant of mishaps but their memory of your management of them is the one by which they will judge your operation.

Patrick Barrow is Director General & Managing Director of the PRCA.



Mergers and Acquisitions- A Guide For SMEs

By Phil Shipperlee

I always think the term Mergers and Acquisitions (M&A) is rather incomplete. While it is the case that having acquired, you will need to merge your existing organisation and the newly acquired entity, the term M&A leaves out the other half of the equation which is the Sale. So perhaps SA&M would be a more accurate term to cover the whole area of activity.



Who should read this?

Before you abandon the rest of this article because “*this is not for us, we are not big enough*” etc. SA&M is a valid strategy for any business of any size. Also, you will come to recognise through the three articles that some aspect of SA&M will be relevant to the majority of businesses at some time. You do not have to use this strategy in your own business but you must at least consider the options that it offers before abandoning it altogether and if you do choose not to go down this route, then you must at least be aware of the consequences. So, please take the time to read the rest before deciding this is not for you.

Purpose of the articles

This is the first of three articles which taken together will provide

a high level guide for anyone wishing to make an acquisition or to dispose of their own company through a sale. This article deals with the overall strategy of SA&M and where it should fit within the wider strategy for your company.

The next article will look at the issues for you as a buyer and the process used to acquire and the final article will look at the issues for you as a seller and how to go about finding a buyer.

Why should I need to consider SA&M?

There are many reasons why a company might consider an acquisition or a sale but whatever those reasons may be, they should be part of a wider strategy for the business as a whole. Too often a decision to acquire, or to sell, is made as a knee jerk reaction to a tactical matter leading to a potentially large waste of time and worse still to potentially long term damage to the business due to a loss of management focus.

The most common and valid reasons to consider an acquisition include:

-  To accelerate growth-acquisition can be faster than organic growth.
-  To enter a new geographical location.
-  To enter a new line of business.
-  To gain some new business or technical capabilities.
-  To gain market share.

There are a number of common, but less valid, reasons to acquire such as “*to wipe out a competitor*” or perhaps to cover up the fact that you are failing to grow the business by normal organic sales

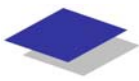
and marketing means. In some fast moving sectors, such as high tech, public companies will sometimes use acquisitions to generate growth to meet the expectations of investors or financial analysts. This is an example of a really bad reason to acquire – the new entity could end up as a distorted and ill conceived business which simply does not work but, the acquisition did serve the short term purpose of impressing those who look in from the outside!

When you acquire you must make sure the new entity will work as a sensible business – the rule is that **1 + 1 must = more than 2.**

The most common reason, and in many ways the only **valid reason, to consider a sale** is to realise the value that you have built up in your business by turning it into cash. In the article on selling, we will look at the issue of taking shares as well as or instead of cash.

Other reasons for considering a sale often stem from less happy circumstances and are usually connected with the business failing in some way leading to a desire to “*get out of this situation*”. Many owner managers get to a stage of feeling they have been beating their heads against the wall long enough and it is time to get off the mouse wheel and do something different, probably involving less stress. However, this feeling can occur with any group of directors or shareholders, not just the owner-manager, who have the collective responsibility for a company that is consistently under-performing.

A word of caution, selling because you feel you must get out, puts you in the category of what we call a “*distressed sale*” which is really bad news for you. A potential buyer, or more likely the professional advisor to the buyer,



will smell your concern very quickly and will probably use your state of distress as a means to do a cheap deal with you. If you have spent the past 10/15/20 years sweating to build your company, do not spoil what you have by rushing the last fence. We will often spend up to 12 months grooming a company to make it an attractive proposition for potential buyers so that our seller gets a fair price for the company. The best way to get a good price is to have several potential buyers interested at the same time which will be the case if your business is presented properly.

Perhaps the essence of this is the word “fair”. There cannot be a deal without a willing seller and a willing buyer. Willingness will be influenced by many things but a fair negotiation and a fair price are the two most important.

Summary

1. Don't dismiss SA&M out of hand.
2. As a part of your strategic planning process, regularly review whether acquisition makes sense to achieve specific goals.
3. Also consider, as a part of the overall plan for the business, what you will do when your time in the business comes to a logical conclusion. If you are not going to “pass the business on” what will happen to it when you are finished with it?
4. At the very beginning, before you even start trading, think about your exit strategy. This may sound odd – I can hear you say something like “*I have just started and already I am thinking about leaving!*”

This is not so silly; building a company is like planning a journey – you need to know where you are starting from, where you want to get to and when you want to get there. Now you can decide the means of transport and the direction you will take. If, for example, when you start your business, you decide that your preferred exit will be by trade sale – this will influence the things that you do and don't do along the way – it will help you to plan from day one. More on this in the final article.

© Copyright 2006 Phil Shipperlee

About the Author:

Phil Shipperlee, CEO and Founder of Performative, the fourth successful company that he has started since 1980. Special area of knowledge covers the creation of high performance selling operations within any corporate environment. Other specialisms; solving the business issues of SMEs, M&A, and the use of off-shore delivery.

Coordinates:

Tel: +44(0) 1494 582 084
 Fax: +44(0) 1494 582 020
 Web: www.performative.net

Ever notice how your senses are heightened when you are in challenging situations?

You're experiencing an adrenaline rush that gives you extra energy. If you see every day as a challenge, you'd be surprised how efficient you can become, and how much can be accomplished.

Donald Trump

Bestsellers

1 Freakonomics: A Rogue Economist Explores the Hidden Side of Everything
 by Steven D. Levitt, Stephen J. Dubner, Penguin Books Limited
 Price: £4.49

2 How to Get Rich (Hardcover)
 by Felix Dennis, Ebury Press (17 Aug 2006)
 Price: £11.21

3 The Undercover Economist (Hardcover)
 By Tim Harford, Little, Brown (6 April 2006) Price: £8.99

4 Getting Things Done: The Art of Stress-free Productivity (Paperback)
 by David Allen, Piatkus Books (24 Jan 2002)
 Price: £7.25

5 Sarah Beeny's Price the Job (Hardcover)
 By Sarah Beeny, Collins & Brown (14 April 2006)
 Price: £6.59

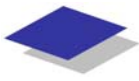
Source: amazon.co.uk



Don't worry if you don't know what Merger is, here's an explanation:

Merger - the agreed joining together of two companies, usually in the same industry, to provide a new, combined, entity with control still reflected in the ownership shares of the original companies.

Source: Bizezia's Glossary of Key Financial Terms and Business Ratios.



The Mindful Leader

By Dr Ronald Alexander

The ancient art of meditation is increasing productivity, creativity and the bottom line in the corporate world, says US leadership coach Dr Ronald Alexander. Science, he claims, is beginning to prove it.

The best leaders in today's business world are those I call 'Mindful Leaders.'

A Mindful Leader is a leader whose primary focus is to lead from a place that has come from their capacity to enter into a state of creative reflection. Before the Mindful Leader speaks, he takes time to think about and feel how his communications will be received. It's similar to the ancient teachings of Zen or the martial arts - the leader anticipates how the person or team receiving a message is going to respond.

It works because when a Mindful Leader moves into this quiet state of reflection, their breathing slows, they take in more oxygen and this triggers the left pre-frontal cortex part of the brain. This is the spot that lights up during meditation. Neuroscientists have discovered that regularly exercising this part of the brain is like going to a gym for the mind; it leads to a greater capacity for concentration and listening, and generates

positive feelings of optimism, hope and creativity.

Mindful Leaders are far less stressed. Here in LA I work with several young executives in the music industry. Over the last three years, everyone I've seen has initially come to me with high stress levels that manifest in physical symptoms such as headaches, ulcers, insomnia, anxiety, depression, etc. Over time, I've shown all of these folks how to utilise what in spiritual terms might be called 'mindfulness' or 'insight' meditation, but what I call in the business context 'taking time for the quiet break of self-reflection.' Their sleeping and health patterns have improved dramatically and they report they no longer yell at people but are more mellow and able to contain their stress responses.

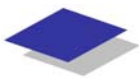
The idea is really taking off all around the world, not just here in the US. I was in Asia recently and talking with a guy who had worked in the dotcom business before the bubble burst. Now he was running a yoga studio with his wife. I assumed they would mostly be teaching mothers or single women - traditional yoga clientele - but in fact 60% of their clients were young businessmen who wanted to deal with stress and tap into this capacity to be more positively optimistic.

Steve Jobs, the co-founder of Apple computers, is a great example of what can happen when you enter into this state of mindfulness. He had a 'light bulb' moment after wandering around India's holy places with a friend. He imagined a child

sitting before a computer on their desk, accessing enlightenment and 'changing the world.' Not long after, he and Steve Wozniak created the first Apple computer, taking a computer the size of a giant room and making it so small you could put it on top of your desk. His spiritual journey has led to an amazing moment of inspiration.

People worry that in a fast moving commercial world, Mindful Leaders might take hours to make crucial decisions. Not so. You can make a fast assessment in just the three to five minutes it takes to enter into quiet reflection. If you are a Mindful Leader who holds fast the key values of mindful reflection, your decision making processes are enhanced and you create a more awakened intelligence within you. The effects spread throughout your department, your business and even into your family relationships.

Ultimately, what distinguishes the Mindful Leader from one who shoots from the seat of their pants in an impulsive way is that Mindful Leaders are more interested in doing the right thing, rather than doing things right. They hold values of positive self-regard and unconditional positive regard for others. They see each and every interaction as an opportunity to awaken new potential within the person they are leading. They aim to enhance creativity and wellbeing in people - an ideal that traditional leadership models have often worked against.



A Mindful Leader sees himself as a gardener and his people as plants in a garden. Like a good gardener, he plans new growth for the future as well as taking care of existing planting. He understands completely that growing his people is at least as important, if not more important, than growing the bottom line.

© Copyright 2006 Dr Ronald Alexander

Article Source:
First Published in TJ magazine.

About the Author:

Dr Ronald Alexander is based in the USA, where he is in high demand as an executive and leadership coach to the media and entertainment industry. He holds regular workshops around the world and is available for private consultations.

Coordinates:

For further information please contact Dr Ronald Alexander
Web: www.ronaldalexander.com
Email: info@ronaldalexander.com

Important Notice

© Copyright 2003-2006, Bizezia Limited. All Rights Reserved.

This publication is published on our behalf by Bizezia Limited. It is protected by copyright law and reproduction in whole or in part without the publisher's written permission is strictly prohibited.

The publisher may be contacted at info@bizezia.com. Articles and information contained herein are published without responsibility by us, the publisher or any contributing author for any loss howsoever occurring as a consequence of any action which you take, or action which you choose not to take, as a result of this publication or any view expressed herein. Whilst it is believed that the information contained in this publication is correct at the time of publication, it is not a substitute for obtaining specific professional advice and no representation or warranty, expressed or implied, is made as to its accuracy or completeness. The information is relevant within the United Kingdom. These disclaimers and exclusions are governed by and construed in accordance with English Law.

Publication issued on
1 October 2006

Ref: Vol. 14



Good management consists in showing average people how to do the work of superior people.
John D. Rockefeller

Tax Dodge of the Month: Shell Out Less On Your Holiday Home

Source: Money Week

Around 3.5 million Britons now own holiday homes, says Paula Hawkins in The Times, but if you're thinking of joining them, first take a close look at the tax implications.

Take France, one of the most popular holiday-home markets. Provided you don't incur the country's wealth tax, which is only payable on properties worth in excess of €750,000, France has some tax arguments in its favour, namely its "relatively generous" capital gains tax regime. If you sell your French property, you pay CGT in France, but not in the UK. French CGT is levied at 16% if you sell within five years, but you receive a CGT exemption of 10% after five years, rising by 10% each year thereafter, "so that after 15 years there is no CGT to pay".

If you aim to hang on to your property indefinitely, take a look at inheritance tax (IHT) laws. In France, children, rather than the spouse, are the main beneficiaries, and IHT is payable by them, not the estate. If you plan to exchange your holiday home for a permanent retirement home in France, sell *before* moving to the country to avoid an extra 11% in social taxes.

© Copyright 2006 Money Week. Article Source: Moneyfacts.co.uk



Bizezia Limited

Incorporated in England and Wales
Company Number 04017546

**Kingfisher House
Hurstwood Grange
Hurstwood Lane
Haywards Heath
West Sussex
RH17 7QX**

Tel: +44 (0) 870 389 1420
Fax: +44 (0) 870 389 1425
E-mail: info@bizezia.com
Web: www.bizezia.com

Martin Pollins MBA FCA ATII M IDM
Managing Director
Mobile: 07710 356825
E-mail: mpollins@bizezia.com

Find us

