

TURN YOUR HOBBY INTO A

BUSINESS

From cupcakes to counselling, eco-design to exercise guru, an increasing number of women are turning their passion into a profitable career. Here's how you can join them

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You'd have been hard pushed not to have felt jaded about your career prospects over the past two years.

Few companies managed to evade the financial crisis that resulted in recruitment and pay freezes and countless redundancies across the country. The situation left many women feeling stagnant in their careers, frustrated that the economy was slowing their route to the top.

But surely jumping ship and launching your own business is bonkers in such a shaky environment? You'd have to be mad to borrow money, put your own assets on the line and take responsibility for other people's wages. Right? A growing number of women don't think so. In fact, the recession has acted as a catalyst for female-owned business. There are now more than one million self-employed women in the UK, and

a report released last year said that we can expect 100% more female business owners in the next 10 years.

It's men we have to thank for the rise in female business owners. The mancession (so dubbed because men were hit hardest by the credit crunch) meant that while men were at home nursing their bruised egos, dire finances necessitated enterprise in women. "Women deliver on a call to action," says the UK president of Avon beauty products, Anna Segatti. "Widespread redundancies have led many women to conclude that starting their own business no longer offers significantly less job security than contracted employment."

However, these resourceful recessionistas clearly have their heads screwed on. They're opting for small businesses that have potential to grow, rather than large-scale money makers. The Cupcake Entrepreneurs, so called because they turn their hobby into profitable

ventures offering services and products as diverse as baking to plumbing are making turning passion into profit the career move of 2010.

The main motivator for the growth of entrepreneurial women is work/life balance. Being your own boss means women can choose their own family-friendly hours, office location and holidays, all of which can hugely benefit quality of life. And we're naturally good at it.

"Women have the ability to identify gaps and forge links. They're good at integrating the demands of the job into an existing lifestyle," says Jacky O'Leary, entrepreneur and Business Link advisor.

Feeling inspired to flex your entrepreneurial muscle? Over the next two pages you'll find a 20-minute masterclass on how to turn your business brainwave into the real thing and four inspiring female success stories to get you feeling motivated.

"I STARTED MY BUSINESS FROM MY KITCHEN TABLE"

Calypso Rose, 29, is director of Clippy (clippylondon.co.uk). Last year her turnover was £520,000 and she made £70,000 profit.



"I was standing in Muji with six strangers staring at my bag. They wanted to know where I'd got it. The answer was: my kitchen table.

I'd always kept scrapbooks, made quilts and played with papier mâché. But it was the insane level of interest in a bag I'd made to display my Polaroid pictures that made me see its business potential.

I borrowed £2,500 from my family and found a factory to make 250 bags (using kellysearch.co.uk). Within a month they'd sold out. Each bag cost £12 to make and sold for between £25-£32 so I'd made

£3,000 profit. Five thousand bags later I quit my job in TV, and Clippy was born. I drew up a business plan after three months, which I found for free on Business Link. It gave me goals and aims and helped me really analyse my plans.

I wanted my bags everywhere. I would go into shops and convince them to take stock. Then I entered the Young Entrepreneur Of The Year competition and won. The publicity was amazing. I was taking £2,000 a day in orders and my house was full of boxes. Soon I was stocked in Selfridges and John Lewis and had fans including Thandie Newton, Jools Oliver and Helena Bonham Carter.

The recession has been difficult. People told me the business would go under, but I didn't listen to the negativity. We now have a range of 40 products, a turnover of £480,000 and have just launched in Japan, with the help of the UKTI (uktradeinvest.gov.uk) which offers grants and advice if you want to sell abroad.

I can't imagine working for someone else ever again - there's nothing like being your own boss."

"BUSINESS IS ABOUT PASSION NOT MONEY"

Susie Ambrose, 44, is CEO of exclusive matchmaking company Seventy Thirty (seventy-thirty.com). Her turnover is £1.3 million.



"He was gorgeous, rich and polite, so why couldn't he find a girlfriend? Bemused, I offered to search for him. Eighteen months later I'd matched 35 couples, just for fun. But as the calls flooded in I realised this could be a real business.

I took six months to fully research everything, sizing up the competition, talking to the Chamber of Commerce (britishchambers.org.uk) and StartUp (startups.co.uk). I took free courses with Business Link on bookkeeping, marketing and finance planning then negotiated with a local law firm to draw up a client contract. When I told a friend I was going to charge each client £10,000 to find love she screamed, but everyone was willing to pay as they had faith in the service.

I wanted to turn over £50,000 that first year, instead I made £120,000, and it has risen by 50% every year since. There have been struggles; hiring the wrong people, for example, but I now have eight loyal staff and a £1.3 million turnover. For me it isn't about the money, nothing beats the buzz of running a successful business. And I've helped hundreds of people find love!"

"WE DELIVER CUPCAKES TO JENNIFER ANISTON!"

Victoria Jossel, 28, is the co-founder of cupcake empire Lola's Kitchen (lolas-kitchen.co.uk) with Romy Lewis, 26. Their turnover is £1.6 million and they make £320,000 profit.

"Looking back, it seems amazing that it all started in our kitchens... baking to relax. Now we deliver cupcakes to Jennifer Aniston! I always had a drive to do something more creative than derivatives at Goldman Sachs, and cupcakes seemed the obvious way.

Research was key. We knew cupcakes were a huge trend in America, but rather than risk an untested idea we started small, creating a simple website to test demand. The orders began immediately, and we knew this

idea had potential. We used every contact we could to find out more, talking to the man behind Millie's Cookies and perfect strangers we wooed with cupcakes. We devoured business books like *The Tipping Point: How Little Things Can Make A Big Difference* by Malcolm Gladwell and *Entrepreneur's Notebook: Practical Advice For*

"We had to learn about more than just baking; you have to be lawyers, accountants and psychologists too"

Starting A New Business Venture by Steven K Gold. We scoured websites for information, including the invaluable *companiesmadesimple.com* and *hmrc.gov.uk/startup*. We knew we had to learn about more than just baking; you have to be lawyers, accountants, HR people and psychologists, too.

Selfridges put in an order, doubling our output overnight. Now we have 30 staff, a turnover of £1.6m, sometimes work 24 hours a day and love every minute of it. In South Africa recently a little girl came up to me and said I had made her holiday, she had met Cheryl Cole and Lola!"

We needed funds, so made a proper presentation to our families, who invested £15,000. Then, when a newspaper asked for 800 cupcakes in return for some advertising, volumes soared and we needed to upgrade to proper premises. Our families invested another £30,000 so we could pay rent and buy second-hand equipment. Then



ROMY LEWIS (LEFT) AND VICTORIA JOSSEL ARE THE BRAINS BEHIND LOLA'S KITCHEN

"I PLAN TO HAVE 100 FRANCHISES WITHIN FIVE YEARS"

Janey Holliday, 32, is the director of fitness brand Fit For A Princess (fitforaprincess.co.uk) Her turnover is £300,000 and the company will make £25,000 clear profit this year.



"I hated fitness until I was 22, when one aerobics class changed my life.

The instructor was fun, chatty, hungover and normal. I was hooked. Two years later I quit my job in marketing, sold my flat and used the £20,000 equity to turn my aerobics hobby into a business.

I knew there was a gap in the market for women's fitness, so I took a course in personal training. Within six months I was teaching seven classes a day.

Then, when the money ran out, I took a huge risk. I borrowed £7,000 on my credit card. I came up with the

name Fit For A Princess, had leaflets made and a website registered.

I've never written a business plan, but women are great at networking. I joined groups like Athena Network (theathenanetwork.com) where I met like-minded people and listened to inspiring talks.

We're about to launch our franchises, I plan to have 100 within five years. But although I am proud of our £300,000 turnover, for me business is about passion, not money."

20-MINUTE MASTERCLASS

How to turn your business brainwave into a runaway success

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WHERE TO GO TO GET YOU STARTED

From advice on business plans to funding for start-ups, here are the best websites to get you up and running

WHERE TO GO FOR FINANCIAL ASSISTANCE

- ◆ Angel Investors are a network of individuals looking to put money into a small business (angelinvestmentnetwork.co.uk).
- ◆ "Develop a good relationship with your bank" says Carol Bagnald, HSBC's Women in Business spokesperson. "There are several options; overdrafts can be useful for temporary financing or fluctuating cash shortages, and a loan can finance a longer-term business need."
- ◆ The Small Firms Loan Guarantee focuses on start-ups and businesses less than five years old. Run by the Department for Business, Enterprise and Regulatory Reform (BERR), it can be used to guarantee 75% of loans of up to £250,000.
- ◆ "Another option is the Enterprise Finance Guarantee (EFG) scheme," says Paul Zimmerman, from Deloitte, "which guarantees lenders 75% of loans between £1,000 and £1,000,000. This scheme was recently extended in the 2009 Pre-Budget Report and will be available until March 2011." For both of these schemes see berr.gov.uk.

ONLINE SUPPORT GROUPS

- ◆ BusinessLink (businesslink.gov.uk) is a free business advice and support service filled with info.
- ◆ Capital for Enterprise Limited supports enterprises across the UK (capitalforenterprise.gov.uk).
- ◆ Women Unlimited is a good learning and support network (women-unlimited.co.uk).
- ◆ Find out if you're eligible for grants at smarta.com/tools/grants.
- ◆ Trapezia (stargatecapital.co.uk/trapezia_1.aspx) run by Stargate Capital is a women-only investment fund for female-owned and female-focused businesses.
- ◆ Prevista can help you prepare your business plan and advise on grants (prevista.co.uk).
- ◆ British Library Business and IP Centre supports start-ups (bl.uk/bipc).
- ◆ Shell Livewire is an online community for entrepreneurs aged under 30 (shell-livewire.org).

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HOW TO WRITE THE PERFECT BUSINESS PLAN

Entrepreneur Kerrie Dorman (kerriedorman.com) guides you through the most crucial tool to starting your own company

WHAT IS A BUSINESS PLAN?

A document that outlines, in detail, the concept of your business and how/why it will work. Crucially, it should show evidence of extensive research into the market your business is about to enter.

WHO IS IT FOR?

Essentially it's for the prospective business owner to plan out precisely how they will launch, survive and expand. It's also the key tool in convincing investors and therefore needs to be extremely thorough.

HOW LONG SHOULD IT BE?

The best business plans are short, sharp and to the point. Do not exceed 25 pages.

ANY BASIC ERRORS TO AVOID?

Don't make the classic mistake of going for a low figure: a good business plan

makes you focus on the financial reality of running a business.

WHAT NEEDS TO BE IN YOUR BUSINESS PLAN?

A full description of the concept and of the product/service What are you offering that's new? How is it filling a gap in the market?

Background and experience of the entrepreneur Unless it's an MBA, forget university; cover what you have learnt from job(s).

Extensive market research on competition Look in detail at what else is currently out there. If you are aiming a business at the UK, focus there, if it is worldwide, look at what businesses you will be competing against across the globe.

Any details on tests, dry runs, etc Include surveys of friends, family

and any quotes or feedback from people you have tested the business idea on.

Route to market How will you get your product to your target market? Everything from delivery, to who will stock it, how they will market it and how people will buy it.

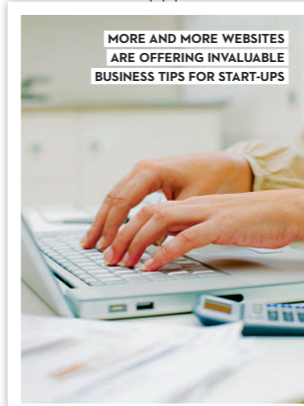
Marketing plan How will you build your brand and market it? Reaching your target demographic to let them know that there's an amazing product out there is critical, so how will you do this?

SWOT analysis This means identifying internal strengths and weaknesses as well as external opportunities and threats.

Figures to include in an opening budget You will need the amount of capital you require to launch and begin trading until your revenue begins trickling in. This should include everything from staff, utilities, insurance, rent, rates, marketing, stationery etc.

Detail on personnel required and key roles Look at both the short term and longer term. How many people will you need and what roles will they fill?

Exit strategy What will you do with the business at the end? Do you want to sell it? Include a timeframe, what net worth you are aiming for and how you will sell it. Banks and investors want to see you thinking about this.



MORE AND MORE WEBSITES ARE OFFERING INVALUABLE BUSINESS TIPS FOR START-UPS

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HOW TO CUT THROUGH THE FINANCIAL JARGON

Entrepreneur and business mentor, Kerrie Dorman, translates the financial language you'll need to know

- Revenue:** All proceeds from sales
- Direct costs:** Costs incurred to achieve revenue
- Overheads:** Costs necessary to the business operating, ie rent and rates
- Gross profit:** The amount left over after direct costs have been taken
- Net profit:** The amount left over after all remaining costs have been removed from gross profit. This can be stated as before or after tax has

- been allocated
- GP%:** Gross profit per cent
- KPIs:** Key Performance Indicators
- Burn rate:** Rate at which customers leave; the average life of a customer
- Corporation tax:** Tax on net profit of your company
- Dividends:** A payment made to shareholders once a profit has been declared
- ROI:** Return on investment



Now it's your go! Come to our very first network event and find out how you can turn your hobby into a business