

Direct Update

Issue: 2 Take the direct approach to banking

Welcome to *Business Direct Update*

Welcome to the latest issue of *Business Direct Update*. I hope you'll find this newsletter from Clydesdale Bank full of useful information and tips to help your business.

This issue brings advice from leading networking expert Will Kintish on how to

make a great first impression on prospective customers and contacts. We've also worked with the International Centre for Families in Business to bring you information on succession planning to ensure your business legacy survives.

We'd love to hear what you think about *Business Direct*

Update. Your feedback is invaluable in helping us improve our services to you. So please take a moment to complete the brief questionnaire (page 3) – it's also your entry to our prize draw to win an iPod nano!

If you'd like any more information on any products or

services mentioned in this newsletter, please contact us on 0845 606 4477.

We're looking forward to hearing from you.



Dan Moore,
Head of Business Direct

In this issue: Keep it in the family **2** Going the extra mile **3** Win an iPod nano **3** Plan for the end of the tax year **4**

Networking

Networking with confidence

Networking is one of the most effective ways to market a business. Will Kintish explains how it's possible to make a great impression on prospective customers and contacts.

As business is about people, then getting people to know, like and trust you is half of the battle to winning their business. Networking isn't about selling in the traditional manner, it's a platform to sell yourself and raise your profile. Business events present the greatest challenges – and opportunities. But remember, networking is only a modern word for talking.

Prepare before attending events. Set goals such as how many business cards to collect or specific people to talk to – ask for a seating plan or guest list – you will become far more effective.

Breaking the ice is harder if you arrive late: get there early so you won't have to face large groups. If you see someone standing by themselves, make the first move – they will probably be eternally grateful! Approach slowly and ask if you may join them before introducing yourself.

Breaking into a ready-made group takes more nerve, but you can tell from the way that people are standing whether a group is "open" or "closed". If a couple is standing side-by-side, they are more likely to welcome you than one standing face-to-face.

Where there is a gap in a group of three or more, wait on the edge until you catch the speaker's eye and then smile. Members of the group will usually then turn to you and introduce themselves. As a general rule, you should always ask permission to join the group and never change the subject.

Being interested in people is more important than being

interesting. Opportunities to enter the conversation arise if you are patient. Listen attentively and ask questions that encourage people to open up. When talking about yourself, giving information in a piecemeal way elicits questions from the other person. It's not an opportunity to sell your business – you have to sell yourself first.

Moving in on people is one skill, moving on is another. You are not making good use of time if you get stuck with one person for too long. Never look over your shoulder while in conversation, but be aware that you are not obliged to stay with them: it can be easier to stand side-by-side so others can join you. An offer to go to the bar or to introduce your companion to someone will usually allow you to move on.

Finally, there's no point in networking if you don't follow up after spotting the opportunity to offer your services. Collect the business cards of those you talk to, ask permission to contact them in a few days' time and make sure you do. You never know when that stranger you talked to might turn out to be your next big client.

*Will Kintish is a UK leading expert on networking. Tel: 0161 773 3727
Email: will@kintish.co.uk Free information is available at www.kintish.co.uk*

Keep it in the family

Make sure your business legacy survives by giving the next generation the best chance of ensuring success

To a greater or lesser degree, all companies need to plan. This could manifest itself in a five-year business plan, next year's sales forecast or next month's procurement.

The same goes for succession planning. Indeed, where family is involved, there are also intangible, emotional aspects to the process.

Paul Andrews, Director of The International Centre for Families in Business, says planning has a major impact on the survival rate of family businesses. Current figures put the success rate for businesses being passed down from the first generation to the second at 30% and just 10% from the second to the third.

"It boils down to a lack of planning, communication and awareness," says Paul. "Many family businesses fail to admit that the owner is going to pass away at some point so they carry on regardless. And when the owner dies, the business dies with them."

The role of planning in ensuring the continuation of family concerns is essential. "If they don't plan to succeed, they plan to fail," says Paul. "If they don't communicate with the family about who will take over the helm when they want to step down, the next generation might not be ready, or might not want to take over."

And then there's the act of actually handing over the reins to consider. "Not only do you have to transfer the leadership of the business, you've also got to pass on the responsibility for dealing with customers, suppliers, banks and lawyers. And that's not something you can just walk into," he warns.

Paul suggests that allowing five to seven years for a handover should provide enough time for a successful transition. "Burdening the next generation with unresolved legal, staffing or financial problems could doom the new venture to failure before it's even begun."

Ultimately, succession planning is about being pragmatic. "Parents often find it hard to select one offspring over another. But when you stand back, it's usually obvious which child, if any, has the right calibre to run the business," he says.

Paul advises dealing with succession sooner rather than later. "Succession is an emotive issue," he explains, "but don't leave it too late. The longer such big decisions are put off, the harder it can be to make them. After all, it's not just been your business; it's been your life."

Succession is an emotive issue.

- The International Centre for Families in Business provides support and advice to businesses preparing for a family succession.

- Clydesdale Bank's Succession Planning business guide can be downloaded from www.CBOnline.co.uk

Commercial Insurance

Are you protected?

Insurance. It's an odd sort of purchase. It involves a product you can't see and hope you'll never have to use. Many businesses realise they have to have it and try to get it as cheaply as possible. While nobody wants to pay more than is necessary, cutting corners is a risk – which only becomes apparent when a claim arises.

Insurance cover should be reviewed annually, unless a material change in the business's circumstances (such as introduction of new equipment) occurs in the interim. "Calculating the correct amount of insurance for a business is a specialised area," says Steven Millar, Clydesdale Bank Product Strategy Manager for insurance. "Advisors walk the customer through what risks they have and advise them on what level of cover they require. Every quote is tailored to the individual customer."

The advisors are part of the AXA Group, with the Bank arranging introductions to AXA Commercial Insurance. Customers receive the same level and quality of customer service from insurers as they do with the Bank.

Kevin Kirk, AXA's Key Account Manager for Clydesdale Bank, acknowledges most customers are after the best price and that other insurers can often undercut AXA's quotations. However, AXA always ensures it provides quality cover to ensure complete protection. "Although the lowest price is a key aspect for the customer, we also ensure we offer robust cover at a competitive price. This can be an important factor when selecting insurance," he comments. "Additional benefits for Clydesdale Bank customers include 0% interest over 12 months and free risk management and business continuity advice."

To offer businesses the best solution, package policies from AXA allow for a combination of standard and optional covers, such as commercial vehicle insurance, product and public liability and goods in transit, to name but a few.

- For information about AXA Commercial Insurance through Clydesdale Bank, please contact your Business Advisor.



Going the extra mile

When you're building a successful business, the last thing you want is your money tied up in vehicles and machinery. Asset Finance is a valuable tool that allows you to invest in the equipment you need to function and grow, freeing up valuable working capital for use in more productive ways.

The option to finance assets through Asset Finance, rather than paying for them outright, is appealing especially for smaller businesses where cash flow may be an issue. Clydesdale Bank's dedicated Asset Finance team takes the time to understand your business requirements and can tailor a solution to suit your business conditions. There's enormous flexibility in the deals available, such as repayments to suit your cash flow cycle.

The most popular type of Asset Finance takes the form of hire purchase where the Bank funds the outright purchase and the business repays over a set term. This gives you the freedom and flexibility of a cash buyer. A deposit is required and title to the asset is passed to you at the end of the term for a nominal completion fee.

Clydesdale Bank has introduced the Car Purchase Plan to ensure there's no need to compromise on the car you really want. The Purchase Plan is designed to make your money go the extra mile and help you get exactly what you want out of a car, whether it is style, reliability, or both! The plan could give you lower monthly repayments than a Personal Loan, if you borrow £5,000 or more and by choosing to defer payment of up to 40% of the purchase price until the end of the agreement, you can keep the monthly repayments low, or upgrade to a better model (a minimum deposit of 10% must be put down). You can also spread the remaining balance over one to five years to suit your circumstances. At the end of the term, you can pay off the outstanding amount and take full ownership of the car, or sell the car and use the money to pay off the deferred amount. **Typical 8.9% APR.**

Plan only applies to a new or second hand vehicle up to five years old from a recognised dealer. Applicants must be 18 years or over.

Additionally you can get car insurance from the Bank you trust with your business. Clydesdale Bank's panel of insurers could give you the right cover at the right price.

- Please ask your Business Advisor for more information on the Car Purchase Plan or other Asset Finance Solutions.



Asset Finance is appealing, especially for smaller businesses where cash flow may be an issue.

Prize Draw

Win an iPod nano

Communication is central to the relationship we have with our Business Direct customers. As such, we want to find out your views about *Business Direct Update* in order to make it better and help you take your business from good to great. All you need to do is tick the relevant boxes, fill in your details and freepost the form back to:

Clydesdale Bank
Freepost RLUU-CSZS-XLSU
iPod nano Prize Draw
Marketing UK
Box 46
40 St Vincent Place
GLASGOW
G1 2HL

Replies received by 30 April 2008 will be entered into the prize draw to win a silver 4GB iPod nano – as well as holding up to 1000 songs, the popular music player also features video playback.



You may of course enter the prize draw without completing the survey. Terms and conditions apply. Please see overleaf.

Please provide me with more information on:

- | | |
|--|--|
| <input type="checkbox"/> Personal Banking | <input type="checkbox"/> Asset Finance |
| <input type="checkbox"/> Business Offset Mortgage | <input type="checkbox"/> Business Information Guides |
| <input type="checkbox"/> Forum of Private Business (FPB) | <input type="checkbox"/> TAS Accounting Software |
| <input type="checkbox"/> Internet Banking | <input type="checkbox"/> AXA Protection/Insurance |
| <input type="checkbox"/> Deposit Solutions | <input type="checkbox"/> Business Overdraft Facilities |
| <input type="checkbox"/> Business Loans | <input type="checkbox"/> Financial Planning |



We are looking for ways to develop and improve our newsletter. Please take a moment to answer the questions below:

1a. How relevant are the articles in this newsletter for your business?

(1 not relevant – 5 very relevant) 1 2 3 4 5

1b. If you answered "not relevant", please tell us why

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2. What further topics would you like to see covered within *Business Direct Update*?

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Planning ahead

The current tax year draws to a close on 5 April – what can you do to prepare?

Most business spending can be offset against your tax bill, so check old receipts and bank statements to ensure that you are claiming every business expense to which you are entitled.

If you have had a successful year, you might wish to shelter profits by increasing pension fund contributions. Pension investments are highly tax efficient for both you and any employees. You might also consider making a charitable gift and claiming relief under gift aid against profits.

Prior to the year-end, bringing forward any

planned capital expenditure will allow you to offset it against this year's profits. If you've had a poor year, deferring capital expenditure will leave your allowances available for better years in the future.

Capital Gains Tax rules look set to change from 6 April 2008. A new rate of 10% will apply on gains up to £1m, 18% thereafter. As taper relief is being abolished, if you have held assets for a long time and are planning to sell in the near future anyway, it might be worth selling before 5 April.

Your personal savings can also be organised

to take full advantage of the tax rules.

Individual Savings Accounts (ISAs) are free from Capital Gains Tax, so it's worth making full use of the current tax year's individual allowance of £7,000 if you can. Up to £3,000 of that allowance can be saved as a Mini Cash ISA, and the remaining £4,000 can be invested in a Mini Stocks & Shares ISA.

• Contact your Business Advisor to find out more.



Diary of important legal changes

Since Oct 2007	Minimum annual holiday entitlement increased to 4.8 weeks.	National minimum wage increase: Age 22+ £5.52 Age 18-21 £4.60 Age 16-17 £3.40
Since Dec 2007	Amendments made to Employment Equality (Sex Discrimination) Regulations: <ul style="list-style-type: none"> Prohibit discrimination and harassment in the provision of goods and services on the grounds of sex, pregnancy or gender reassignment. Where sex is a determinant factor in risk assessment for financial and insurance products, this must be based on regularly updated, relevant, accurate data. 	
From 6 April 2008	Physical Agents (Noise) Directive – Noise at Work Regulations will now include exposure to noise at work in the music and entertainment industry.	
Summer 2008	Centralised vetting and barring system for people working with children and vulnerable adults.	

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All credit facilities are subject to status and applicants must be aged 18 and over. Security may be required. Terms and conditions apply.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE
Clydesdale Bank is a member of the National Australia Bank group.

This publication is available in large print, Braille and audio. Speak to a member of staff for details.

www.CBOnline.co.uk

Clydesdale Bank PLC. Registered in Scotland (No. SC001111)
Registered Office: 30 St Vincent Place, Glasgow G1 2HL.



PRIZE DRAW TERMS AND CONDITIONS

- Copies of the details of the draw can be obtained on request in writing to: Marketing UK, Clydesdale Bank PLC, 40 St Vincent Place, Glasgow G1 2HL.
- To enter the prize draw simply complete the survey, enter your contact details in the box provided and return to us by post. Alternatively, send your name and address on a plain piece of paper, in an envelope addressed to Clydesdale Bank, Freepost RLUU-CSZS-XLSU, iPod nano Competition, Marketing UK, 40 St Vincent Place, Glasgow G1 2HL.
- Closing date for receipt of entries is 30 April 2008 at 5pm.
- All entrants must be 18 years of age or over and UK residents. Prize draw is only open to Business Direct customers.
- Entries are restricted to one per person.
- The prize is a silver 4GB iPod nano.
- No cash alternative will be provided. Clydesdale Bank reserves the right to alter the prize, at any time, to an alternative of equal or greater value.
- The draw will be carried out by an employee of Clydesdale Bank on 1 May 2008 under the supervision of an independent observer.
- The winner will be notified by post within 14 days of the draw taking place.
- To obtain the name and town of the winner and name of the independent observer please write to: Marketing UK, 40 St Vincent Place, Glasgow, G1 2HL and include a stamped pre-addressed envelope.
- When entering the free prize draw, entrants will be consenting to their name and town being published and to the taking of images of them, all for reasonable Bank publicity/marketing purposes. Copyright of images taken of the winner will belong to Clydesdale Bank.
- The Prize will be delivered to the winner's UK address as noted on the entry.
- No correspondence will be entered into concerning the draw.
- Employees or members of National Australia Group, their agents, including our Third Party Distributors and anyone connected with this draw are not eligible for entry.
- Entry into the free prize draw is deemed acceptance of these rules.
- Clydesdale Bank accepts no responsibility for any lost, delayed or incomplete entries.
- The iPod nano will be subject to the manufacturer's/supplier's terms and conditions and no responsibility in law will be assumed by Clydesdale Bank to the winner or other users.
- Promoter of this prize draw is Clydesdale Bank PLC, whose registered office is at 30 St Vincent Place, Glasgow G1 2HL. Registered in Scotland No. SC001111.

Please enter your contact details (please print)

Name

Business Name

Address

Postcode

Telephone

Name of your Business Advisor

Please return this form to Clydesdale Bank, Freepost RLUU-CSZS-XLSU, iPod nano Prize Draw, Marketing UK, Box 46, 40 St Vincent Place, GLASGOW G1 2HL

By entering this prize draw, and if you agree, we may use your personal information for marketing purposes. We may contact you by post with details of other products, which we believe could be of interest to you. Please tick box if you do not want to receive marketing information on other products.

