

Living the DREAM

Well-known entrepreneur James Caan talks to FYM about having what it takes to make it and why young Britons have the world at their feet

By his own admission, "the quality of life for an entrepreneur sucks" but James Caan, a household name after his appearance on the BBC show *Dragons' Den*, has no regrets. Since stepping down from the show to lend more time to his business empire, James is pursuing a growing passion - empowering and liberating young people to become entrepreneurs. In the past four months, through his work with Start-Up Loans, James has helped 970 young people start a business.

FYM: You launched your first business back in the 1980s without any formal qualifications. Should young people do the same today? I think young people today need to have a much stronger platform. I did not have a university education which was quite a risky strategy, so I think telling people not to go to university would not be good advice. I have had two children myself and I have encouraged both of them to go to university. The view I take is that if they become entrepreneurs and don't succeed, then they have the fall back position of a qualification to help them secure employment.

FYM: So would you say it is harder for young people today? Actually, I believe young people today are in a position to work wonders in the UK which has some of the smartest people in the world. Our education system is one of the best so young people have a great start. There is also substantial support for young people compared to what was available 30 years ago. This is a substantially better environment to build a business; I'd much rather be doing it today than 30 years ago.

FYM: In your recent book you talk about high pain thresholds and paying a high price. What do you mean by this? When you start as an entrepreneur you don't have the luxury of a pay cheque that employed people have. That is quite painful and quite scary. Because you have no safety net, you can find yourself working seven days a week. On many occasions when starting a new business I have had to cancel holidays, miss events at my children's schools and dates with my parents. I found myself starting earlier in the mornings and leaving later at night; if a business wasn't performing then it needed me to be there. This means I have absorbed a huge amount of pain on my journey as an entrepreneur. In fact, I think the quality of life for an entrepreneur sucks, whereas the quality of life for an employed person is much more balanced. Therefore if you're not willing to pay the price or be prepared

to absorb the pain, chances are you will struggle. If you don't have that kind of strength of conviction you probably shouldn't be an entrepreneur.

FYM: If it is so difficult why didn't you choose to go into your Dad's business? Surely that would have been an easier option? Going into the family business would have been easy. I was walking straight into a secure opportunity where I would be paid a decent salary and have security. Instead I went into my own business, risked my own capital and could have failed miserably. But I wanted to identify what I could do personally for myself, because when you walk into somebody else's business you are living their dream and executing their dream and not your own. I wanted to learn for myself. Maybe failing is not a bad thing, as long as I'd had a go. After all, nobody ever won the lottery who didn't have a ticket.

FYM: What impact did this choice have on your family? Do you have any regrets? The impact this had on my father's business was obviously quite strong because like any Asian parent his motivation was that he would have his son in the family business. I don't really have any regrets because I ended up building a business that was twice the size of my father's and became extremely successful. The most important thing was that I was living my dream and not somebody else's. I think if I had my time again - I wouldn't do it differently.

FYM: What's the biggest mistake you see new entrepreneurs making? Lack of research. Ask yourself: is it a hobby or is it a business; how well have you thought something through? People wake up and

“ Ask yourself: Is it a hobby or is it a business? ”



FYM young journalists prepare for the interview



Biggest Fashion Business Faux Pas

Fair Price?

Fabric: £60

Labour: 5 days

Pricetag: £120

Consider this: If the fabric for a dress costs £60 and the dress takes five days to make, is £120 a fair price to pin on it? It doesn't take long to work out that the answer is 'no'. However, James says the single biggest mistake young fashion designers make is not including their time in the price of a garment. Before putting a price tag on anything, a young designer should determine the market rate for their time. In other words what would they be paid to make this dress for somebody else. If that was £100/day, then the labour costs of this dress alone are £500. Phew! That is going to be one expensive dress.

Biggest mistake: Not including labour costs as part of the price.

Four crucial questions to answer before starting out

- Are you even an entrepreneur?
- Do you have a market for your product?
- Have you priced it correctly?
- Have you factored in the costs of your own time?



think 'you know what I have got this great idea and I think I should do X'. But before you do that you need to look into the mirror and ask: 'Am I even an entrepreneur?' Many people don't consider all the implications of funding, pricing, manufacturing, distribution, the customer base, the competition or the market - they make a lot assumptions based on no substance or fact. But the biggest mistake entrepreneurs make is that they don't talk to enough potential customers before they launch. Most people talk to friends and family who all tell them it's a great idea. The most valuable input, however, is always from somebody who is or could be a real buyer.

FYM: Is it really possible - as the title of your book implies - to start a business

in seven days?

In my book I describe the journey as being on a train. For argument's sake, if your journey is going to take seven days you look at the product you have and if there is no feasible market or opportunity for that product then you don't have a business. You need to get off the train. On the other hand, if you have an amazing product that has fantastic demand but you have your pricing wrong then you also don't have a business. Have you factored in your own personal costs in the business? This is another thing many young people overlook. If you put your own costs in and the business is losing money then you have to ask: is it a business or is it simply a hobby? ■

Start a Business in Seven Days by James Caan is available at amazon.co.uk

What support is there for young people?

James says it's much easier today for young people to be successful than it was when he set out 30 years ago.

Here's why

The Internet: SO many successful start ups have launched online with just a website.

Social media: Free marketing wasn't an option back then and this can really boost sales.

Funding support: Places like the Prince's Trust and Start Up Loans as well as venture capital and angel investment simply weren't around when James was starting his business.

Useful websites: startuploans.co.uk; princes-trust.org.uk; bvca.co.uk