

Design Week – 1st November 2007

Design start-ups are on the rise, says Orange survey

By Sarah Woods

The design industry is a competitive sector, boasting about 12 450 UK consultancies, with smaller businesses in the overwhelming majority.

According to a recent survey by Orange Business Services, it could become even more cut-throat, with many designers in the industry saying they would set up their own businesses in a flash.

The survey – conducted together with Tickbox.net – of more than 2481 UK adults across a range of business areas, found that 74 per cent of those working in the creative industries would choose to set up in this area.

Designers are not sitting on their laurels either – the report states that 29 per cent of those in the industry are already

exploring a definite idea. It adds that those working in the design industry are more likely than those in other industry sectors to set up a new business within the next two years.

This survey was conducted prior to the Pre-Budget Report, the results of which could have influenced the outcome. The report states that capital gains tax for small businesses will increase from 10 per cent to 18 per cent. However, this change will not immediately affect those who are looking to set up a business, as the majority of entrepreneurs will not be looking as far into the future as selling it, when it becomes an issue.

'I think Capital Gains Tax will have some impact on those who want to set up businesses



1

in the industry, but not a very big impact,' says Keith Hunt, managing partner for specialist consultancy Results International. Hunt is instrumental in advising those in the industry on business matters. 'Lots of people who set up businesses of that sort do it for other reasons than tax and start thinking about it much later in the day, when they are thinking about selling.'

Hunt goes on to offer some advice to those considering branching out. 'The challenges faced are that they have to think about why they are special. Why would people go to you rather than the dozens of other consultancies around? They really need to think about their digital offer, too.'

'Think very carefully about the amount of money they need, then double it – and the same goes for time and effort. Top tips are to try to do it with a partner, or maybe two. This is the key to a successful business, and make sure they bring some big clients along.'

While entrepreneurial thoughts are obviously high on the agenda, one in two of those considering setting up their own business are too scared of failure to do anything about it, the survey states. It highlights how Britain is a nation of serial 'self-doubters', which suggests a lack of faith in business abilities.

'It is good news in the design and creative industries, with 29 per cent of people actively exploring setting up their own businesses,' says Robert Ainger, director of marketing, communications and operations at Orange Business Services. 'There has always been a strong entrepreneurial streak in this industry. To a certain extent the competitive angle is where the thought of failure comes in, but in this industry they can find an entry point.'



2

1 Keith Hunt, managing partner, Results International

2 Robert Ainger, director of marketing, communications and operations at Orange Business Services

CREATIVE ENTREPRENEURS

- 74% of those working in the creative/design sector would choose to set up their own business in this area
- Women are more attracted to this sector than men: 17% of all women surveyed against 5% of men would choose to set up their business in it
- Those working in this sector are more likely to set up their business within the next two years – the average was three years and nine months
- Industry members are making progress, with 29% claiming to be exploring a definite idea

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