

Dealing with red tape



Most people hate filling in forms but for SME owners bureaucracy and administration are a necessity. However, there are ways to reduce the time you spend on red tape.

Advice for small and medium-sized businesses

Turning your idea into a profitable business can be a daunting task. Expect to encounter plenty of challenges along the way – from raising finance to hiring staff – but this is all part of the experience of being a small business owner. The notion of red tape, however, is one that can send shivers down any budding entrepreneur's spine. Setting up a company requires paperwork to be filled in, processes and protocols to be followed, and hurdles to be conquered in order to turn a profit. At least, that's the perception many people have.

A survey conducted by PeoplePerHour.com, Europe's biggest online business marketplace, showed around 40% of SME owners spend a few hours each month dealing with red tape, 23.5% spend one day, 25% spend a couple of days and 10% spend three days or more. When asked what they thought about the amount of red tape they had to deal with, 40% of those surveyed said it was currently manageable but increasing - while 8% thought there was so much it was hindering their ability to work on their business.

Xenios Thrasyvoulou, founder and CEO of PeoplePerHour.com, says unfortunately the issue of red tape is very much alive for most SMEs. "Our survey shows more than one third of small businesses spend at least a couple of days a month dealing with bureaucracy – this is time that could be spent far more productively running and growing their business."

However, Jeremy Harbour, president of not-for-profit association, the Business Recovery Forum, says the idea that businesses are strangled with red tape isn't strictly true. "Setting up and running businesses in the UK is actually a lot easier than in other countries," he says.

"Health and safety and employment law are pretty straightforward and are generally a matter of common sense. The majority of the laws don't kick in until your responsibilities as an employer begin to increase. So, if you are starting up with less than five people, there are practically no barriers to trade. You can be up and running very easily."

If red tape is posing an extra challenge, there is plenty of support available. Sage offers software, services and support to facilitate and improve the day-to-day running of your business. Then there are Government-run information sources, such as BusinessLink, and (for the time being) regional development agencies in England, who can advise and assist you.

BusinessLink offers an email reminder service business owners can sign up to in order to receive prior warning of any regulatory changes that may affect their businesses, as well as links to further useful information

But for those business owners who do find themselves tripping over red tape, Jeremy has some frank advice. "I always think of red tape as the ropes around a boxing ring. Everyone has to fight in the same space, so stop moaning about the ropes and get on with it!"

We have software and services designed to help you manage your business and the red tape.

About Sage

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