

RAISING MONEY

There are many ways of raising finance to run a business. Some of the options include:

- Borrowing money from friends and relatives
- Borrowing from a bank
- Loans from private institutions
- Business venture capital
- New business support
- Grants and funding from arts and other organisations. (for example, the National Lottery or the Prince's trust)

There are many local, national and European schemes to help the growth of new business. (see the web links at the end of this chapter)

BANK LOANS OR OVERDRAFT FACILITY

One of the simplest ways to borrow money for a business venture is through a bank loan or an overdraft facility. Deals and interest rates vary, and there are often special schemes available for new businesses. It is an advantage to have an established relationship with a bank.

Some banks have a small business manager in each branch, they are easier to convince than an advisor at a call centre. They are usually very helpful once your business is up and running as they are experienced in the difficulties faced by new ventures.

It's tricky to borrow money with no track record and with no collateral. Ask someone to check over your business plan to make sure it will hold up under scrutiny.

THE PRINCE'S TRUST

The Prince's Trust offers a combination of grants and loans to 18-30 year olds. They offer a maximum of £5000 loan at a 3% interest rate, plus a £1500 grant per person or £3000 per group.

CAREER DEVELOPMENT LOANS

These are available to help anyone over 18 years of age through a training course or qualification. It is essentially a bank loan that you only start repaying after the course, while the government subsidises the interest. Amounts start at £300 up to £8000 that you can put towards 80% of fees (100% if unemployed), materials, travel or living expenses. For more details go to www.lifelonglearning.co.uk/cdl/

GRANTS

Grants are available at European, national and regional levels. You will have to have some money of your own to invest in a new project. Make sure you have a specific use for the grant and that a direct benefit from the finance can be easily predicted. Any business idea that will support employees other than just yourself will be looked upon favourably. Innovative or research and development ventures are also seen in a good light. You may have to wait a long time for an answer to your application.

WANT TO KNOW MORE?

LINKS

New Deal for Musicians has no responsibility for or control of the following sites. The inclusion of any site does not necessarily imply New Deal for Musicians approval of the site. To access any of the sites please click on the link or search using keywords from the name of the link.
www.dfes.gov.uk/ukonlinecentres/ Find Internet access that's close to you.

www.musiciansunion.org.uk
Website for the Musicians Union

GENERAL BUSINESS ADVICE

- www.businesslink.gov.uk
- www.businessbureau-uk.co.uk
- www.hmrc.gov.uk
Inland Revenue and Customs & Excise
- www.startups.co.uk
- www.smallbusinessservice.gov.uk/home/

FUNDING ADVICE

- www.culture.gov.uk/arts
- www.artscouncil.org.uk
- www.lotterygoodcauses.org.uk
- www.dti.gov.uk
- www.youthmusic.org.uk
- www.citycol.com/rfrecords/fundingadvice.html

DOWNLOADS

- www.bpi.co.uk
- www.bemuso.com/resources/index.html
- www.cdbaby.net

STRUGGLING FINANCIALLY

- www.citizensadvice.org.uk/macnn/
- www.adviceguide.org.uk
- www.uswitch.com
- www.hmrc.gov.uk/taxcredits/index.html
- www.dwp.gov.uk/lifeevent/benefits/index.asp
- www.cccs.co.uk
Consumer credit counselling service

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BOOKS AND MAGAZINES

Guide to Survival & Success in the Music Business

The Association of Independent Music's guide to the business in an interactive CD-Rom format. Available from www.musicindie.org - free to members

The Music Management Bible

Music Managers Forum
Publisher : Sanctuary Publishing
ISBN : 1844920259

101 ways to start your own business

Christine Ingham
Publisher : Kogan Page
ISBN : 074942186X

The Daily Telegraph Guide to working For Yourself

Godfrey Golzen
Publisher : Kogan Page
ISBN : 0749426772

**Managing Your Business Accounts:
A Handbook for Business Owners, Managers
and Students**

Peter Taylor
Publisher : How To Books
ISBN : 1857032616

MORE TASKS

- 1 Find out the current average dealer price of singles and albums in your local record shop.
- 2 Do more research into the current licensing agreements on downloads. (MCPS – PRS)
- 3 Start keeping your own accounts using the methods described earlier in this chapter.

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NEW DEAL FOR MUSICIANS BUSINESS AND MONEY

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Sound Advice

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| MU | Musicians' Union |
| MPG | Music Producers Guild |
| AIM | Association of Independent Music |
| PRS | Performing Right Society |
| MCPS | Mechanical - Copyright Protection Society |
| MMF | Music Managers Forum |
| BPI | British Phonographic Industry |
| MPA | Music Publishers Association |
| PPL / VPL | Phonographic Performance Limited / Video Performance Limited |
| MIA | Music Industries Association |
| PAMRA | Performing Artists' Media Rights Association |
| BBC Radio 1 | |
| British Music Rights | |
| British Academy of Composers and Songwriters | |

