

Agenda

BFS hackles are up over pro-No blog

THE pro-No blogger Kevin Hague has succeeded in significantly discomfiting the pro-Yes Business for Scotland caucus by pointing out that none of its members is involved in business activities with significant trade links to the rest of the UK. While this, as he acknowledges, does not diminish BFS's right to speak out on independence issues, it does, he suggests, curtail its claims to have a truly representative membership, given that 37% of Scottish businesses do trade with England and the world beyond.

Hague and his business partner, Jim McFarlane, run M8 Group, comprising ecommerce retailers Greenfingers.com and Petplanet.co.uk. The two firms sell garden furniture and pet products, employing about 120 people in Livingston. But Hague's "chokka blog", in which he forensically examines the credentials of BFS members and their companies, suggests the relentless and systematic digging of the old-school investigative hack.

BFS does not accept his protestations that he is "not disparaging the professional credentials of any of these people; I'm just trying to assess the extent to which they are representative of Scottish business". One member told Agenda that the blog's analysis amounted to "snide asides, wee digs and personal attacks". It's all in the eye of the beholder, of course.

Black gets chance to flex his intellect

FORMER auditor general and one of Scotland's undisputed fonts of wisdom and good sense, Robert Black, has featured in these pages in the past talking about the need for rigorous, disinterested examination of Scotland's budgetary priorities. There seemed to be little official appetite for an accountability-enforcing body, so his proposals, as outlined in the Sunday Herald, were batted aside.

It is therefore excellent to see that Black is back, as chairman of a new economic think tank, Fiscal Studies Scotland, which is designed to provide "objective, independent, briefings and reports on Scotland's public finances and the performance of the public sector".

The body has an impressive line-up, including Professor Richard Harris, Professor Gavin McCrone, Lorna Jack and Jane Ryder. The advisory board is chaired by Professor Sir John Arbutnot and the executive directors are Jo Armstrong, and John McLaren. This all-star cast already promises some refreshingly impartial rigour to Scottish debates.

The kids' craze that may return toymaking to Scotland

Firm could move manufacturing back from China if phenomenon continues **By Business Editor Colin Donald**

THE Scots company that sparked the Loom band craze now sweeping the UK is considering relocating its toy manufacturing to Scotland following a massive boost in earnings from the runaway hit line.

Martin Grossman, chief executive of Rutherglen-based H Grossman, was the first UK toy importer to spot the potential of the elastic band-weaving hobby, and was the first to design and order friendship loom band kits from partner factories in China.

Although the £8.25 million-turnover firm declined to divulge its sales figures, the Sunday Herald has learned that, within a few months, H Grossman has to date sold between £3m-£4m worth of its 30-item range of Loom Twister products, which range from 99p refill bags of the

brightly-coloured, latex-free bands, to gift box sets retailing at £35.

"If the success continues it will allow me to open the toy factory in this country that has always been at the back of my mind, manufacturing certain toys in the UK again," Grossman said.

"That's my plan. I'd love it to be in Scotland, and the only reason it would not be here would be if something bad happened to the country that made it unstable financially."

He added: "I have two products I want to manufacture which I believe we could do big business with, that's my ambition. The success of Loom Twister has put us in the limelight, and forced the big boys to take notice of us, and we have been winning important new contracts such as with Arcadia and Next that were beyond our reach before.

"This means that we would probably

be able to finance [new factory investment] ourselves without having to take on debt."

Founded in Glasgow in 1946 by Grossman's parents as a supplier of "pocket-money toys" to corner shops, the firm has – like the rest of the UK toy industry – been manufacturing in China for the past three decades, and owns another company in Hong Kong.

Loom Twister was developed by Grossman's team of designers in Scotland and manufactured in longstanding partner factories in China. The firm exports to seven different countries, including France, the US and the UAE.

Grossman – known in the industry as the "king of crazes", whose past hit lines include Alien Eggs (1999) and Yo balls (2002) – said that he had a consignment of 100,000 Loom Twister items arrive in

the UK from China last week that were "sold already, we can't bring them in fast enough". He described Loom Twister as being in "a different class" to previous playground fads, in that it promoted more collaborative and sustained involvement by children, and was capable of adaptations equally attractive to boys and girls.

The Loom Twister craze took off in the UK in the spring. Although toy crazes are notoriously ephemeral, Grossman said that he expected this one to last for up to 18 months more as children's skills developed beyond bracelets to the more complex patterns for three dimensional artefacts such as the pet figurines now popular in East Asia.

Although easy to copy by larger firms – and susceptible to cheap imitations – Grossman claims to have capitalised on "first mover" advantage and has been

able to stay ahead of the market with constant modifications.

GROSSMAN said: "I think we will come out of it as a more professional company. We will come out of this more respected by the larger retailers who are normally dealing with the big £70m-£80m-turnover companies, and they don't always rate the smaller importers and distributors like us. It might allow us to be known more for who we are and what we do rather than just being a relatively small distributor from Scotland. I hope it will transform perceptions of the business."

Mark Huntly, area sales manager Scotland and Ireland for Basildon-based toy importer PMS international, said: "I've

Martin Grossman, chief executive of toy importer H Grossman, has sold between £3m-£4m worth of the firm's Loom Twister products



Heading to California are, from left: Ola Clark, Sonny Charles, Ian LeBruce, Calum Leslie, Ross McNairn and Craig Lynn

From 'Dragons' Den' to California for six young entrepreneurs

By Mark Latham

SIX young entrepreneurs from across Scotland will jet off an all-expenses-paid trip to California later this month after winning a Dragons' Den-style competition at Royal Bank of Scotland's global headquarters in Edinburgh.

The winning entrepreneurs will attend the Global Start-up Summit in San Francisco before taking part in a week-long programme of events in Silicon Valley, including meetings with executives from Apple, Ebay and Hewlett-Packard as well as various start-up companies.

The winners are: Calum Leslie, founder of Wooju; Ola Clark of Monomise; Ian LeBruce of Cappuccino Ads; Craig Lynn of Filament PD; Sonny Charles of Spoilty and Ross McNairn of Dorsai.

Before leaving for the United States, the young entrepreneurs will attend team-building and leadership sessions with creative leadership trainer Ilana Wetzler and take part in a strategy session with Skyscanner's chief financial officer, Shane Corstorphine.

Leslie, 23, from Edinburgh, took the tech world by storm when he launched his app, Wooju, in April. In the three months since its launch it has been downloaded by more than 24,000 users in 54 countries and for a time became the sixth-most downloaded app on the iTunes App store.

The free-to-download app describes itself as "a simple way to snap and solve indecisive moments with friends". It means young women out shopping who want a second opinion on buying a dress can send a photo of themselves trying it on to friends who are then instantly polled about whether or not she should buy it.

It could also be used to help someone decide whether to buy an attractive stranger at a bar a drink, or whether to drink the slightly-off milk in the fridge.

Leslie said he had been taken aback about the app's success.

The trip to California later this month will be an opportunity to drum up further business for his Glasgow-based companies which had previously launched two other apps. The company, which launched last year, now has five full-time employees.

New hopes of lottery funds to boost plans

By Mark Latham

THE future of one of Scotland's finest examples of 19th-century commercial architecture has become a little more hopeful after it emerged that the potential developer could be in line for a £5 million grant.

The Egyptian Halls in Glasgow, designed by Alexander "Greek" Thomson – one of Scotland's most important and distinctive architects – has been largely disused for almost 30 years.

For over a decade, Dundee-based property developer Derek Souter, who owns the building, has wanted to redevelop



HIGH LIFE: The £20m development would create a 114-room hotel

the dilapidated category A-listed building opposite the side entrance to Central Station.

Until recently, the Heritage Lottery Fund (HLF) did not provide grants to

commercial projects but the fund's Heritage Enterprise programme, launched last year, aims to finance the redevelopment of neglected historic buildings and "unlock their economic potential".

Grants cannot be paid to for-profit companies so a newly created trust, the Egyptian Halls Building Preservation Trust headed by Martyn Roe, a respected property industry figure, was created and it submitted an application for funding at the end of June. A decision is expected next spring.

The proposal, which received planning permission from Glasgow City Council in 2012, would see the upper three floors of the building converted into a 114-bedroom

to save Glasgow 'Greek' Thomson building

four-star hotel with a two-storey extension and the refurbishment of four ground-floor shops.

But red tape and a funding shortfall meant that building work on the £20m project never got under way.

Although Historic Scotland has offered a grant of £1.65m towards the project, a time-limited £1m grant approved by Glasgow City Council in May 2010 lapsed in March 2011. Historic Scotland, meanwhile, claims that it cannot offer a larger grant for a commercial project.

Souter said that the approval of a £5m grant from HLF, the maximum possible under the Heritage Enterprise programme, would be a "game-changer"

for the stalled redevelopment project. But it would still leave a funding shortfall of around £5m.

At a public meeting on Wednesday, Souter said it would also be unsafe to comply with Glasgow City Council's request for the scaffolding on the building, which has been in place since 2009, to be taken down. A piece of masonry "the size of a large man's fist" that fell from the building's facade this week could have killed someone had it not been for the scaffolding, he warned.

The feasibility of installing CCTV cameras is now being considered in response to tenant concerns that the sheltered pavement area beneath the scaf-

olding is attracting beggars, pick-pockets and drug dealers.

Souter – who has invested £6.2m in the project since 1998 – said the completed project would be a catalyst for the regeneration of Union Street, once one of the top retail streets in Glasgow. This would lead to investment in the area, the creation of new jobs and £350,000 in business rates each year for the public purse, he claimed.

Asked whether Glasgow City Council would consider renewing or making a fresh offer of grant assistance in the event of an HLF grant being approved, a spokesman said: "We cannot speculate on any prospective HLF funding, and this is not relevant to the current position."