

How hard is it to build a business from Cornwall?

OPERATING FROM REMOTE LOCATIONS

The lure of Cornwall is obvious: swapping the costs and claustrophobia of London for a slower pace of life, trading in a tiny flat above a chicken shop for a house on the coast, getting on a surfboard instead of taking a spin class. But how feasible is it to build a business in what was reportedly the poorest region in the UK in 2014, with average wages of £14,300 at the time. Cornwall and business hardly seem like a natural fit. The county has the oldest population in the UK (with an average age of 42.6 at the last census), is poorly connected to the rest of the country and its only city, Truro,

has a population three times smaller than that of Camden. There's also the intangible but perhaps most important drawback: an overall feeling of isolation, with ideas of 'hub', 'community' and 'ecosystem' as foreign as the rush-hour crush on the Central Line. And yet the startup scene seems in good health. Several companies insist that basing their business in Cornwall is the smartest decision they've made. Internet and mobile coverage remains a thorny issue. Once notoriously poor coverage has been vastly improved by EU-funded schemes to bring

high-speed internet to the UK's most remote region but connecting Cornwall's small, largely rural and dispersed population (a fifth of Manchester's population is spread across an area 30 times its size) is a tough logistical task. Despite steps forward there remains a huge county-wide divide, with some pockets of Cornwall boasting the fastest speeds anywhere in the country while others struggle with speeds that could barely complete an online shop, let alone operate a modern business. The airline Flybe operates daily flights between Gatwick and Newquay, representing the only

real link to London and although tickets can cost just £35, prices are often significantly higher. Meanwhile, trains from Paddington take four to five hours. It's a common chicken-and-egg situation faced by many regional administrators: subsidise better transport up front or try to whip up enterprise first to make it more feasible. Freelancers have been overcoming the obstacles and decamping from London but the question remains whether Cornwall is a realistic location for ambitious startups. We spoke to two Cornish companies about the challenges.



THREE PROJECTS ELEVATING CORNWALL'S STARTUP SCENE



What? An EU-funded business park on the edge of Newquay Airport targeting tech companies with fast broadband and full business-rate relief.

Who? Bloodhound Super Sonic Car, Skybus and Bristol Helicopters, which took over the UK's search and rescue operations contract in 2013.

Signs of success? A new £6m business park opened in the Enterprise Zone in February, which is expected to create up to 750 more jobs.



What? Private and shared office spaces, business support, events and workshops, next to Falmouth University's Penryn campus.

Who? Mostly creative, media and environmental businesses, including The Cornwall Film Festival, Field Notes art events and Koha Architects.

Signs of success? Tremough has created 58 jobs. Since joining in 2012, Antimatter Games has upped its workforce and moved on to Falmouth centre.



What? Studios, workspaces and a cafe in a converted grammar school in industrial Redruth, which was part-funded by Arts Council England.

Who? Theatre companies, painters, furniture makers and web designers, plus cultural organisations Feast and Cornwall 365.

Signs of success? 50 new studios opened recently.



FIVE MILESTONES

Striking a chord

Launching a music magazine in 2005 amid a meltdown in print publishing might have sounded mad but **Loud And Quiet** is still standing a decade on and last year expanded to the US. Founder Stuart Stubbs charts the title's major breakthroughs.

01

I launched Loud And Quiet as NME wasn't doing what it should be doing. I began printing a fanzine from my mum's spare room in Southend. It started at 150 copies, the second issue was 200 and it then spent a long time at 600 copies each month. I would come to London at the weekend and distribute them from an old lady's tartan shopping trolley, dropping off copies in bars, cafes and record stores such as Rough Trade and Selectadisc.

02

Taking on a professional designer was a turning point. For the early issues I'd taught myself Quark and was doing the design myself; it seems so naive looking back now – there are about a billion fonts in there. But word got out that I made this fanzine and a former colleague offered to design it for me. It made it feel more polished and legitimate. It was around that time that a few record labels got in touch and wanted to advertise.

03

The magazine took off after changing to a newsprint format. We'd done 29 issues in a smaller size and it felt like a pamphlet to me. In 2008 I tried two A4 issues on matte stock that cost the earth and at this stage it felt like I'd lost all my money. I thought then that it might be over but instead I switched to newsprint and that's when it went from a hobby to a job. It started making money almost immediately as the overheads were so much more in our favour and advertisers and labels started to see it as an authoritative voice.

04

Saint Laurent took out the back cover advert. They've renewed it for the past three years – it's by far the biggest advertising revenue we've ever received. I'm not sure what's going to happen now [creative director] Hedi Slimane has left as he shot the campaign but Saint Laurent is the dream ad spot as the brand's cool, its ads look brilliant and it doesn't ask us to write about the brand within our editorial, which lots of brands do – that's become such common practice now.

05

We've built a US audience with 30 stockists in New York. I'd wanted to do it for a long time as we feature lots of bands from Brooklyn – another place where they love a magazine that you can actually hold – and we now distribute about 2,000 issues each month. We've already had a couple of new advertisers from the US and our plan is to approach people directly once we're more established. They love British stuff in New York and the things readers will be most interested in are those bands that they won't read about on Fader or Pitchfork.

1 Finisterre

Based metres from the waves, surfwear brand Finisterre has chosen against basing its HQ in London, opting instead for the more authentic backdrop of St Agnes. But this also makes keeping tabs on global trends that much trickier.



Operating out of a former tin mine in St Agnes on Cornwall's north coast, surf and lifestyle brand Finisterre slugs it out in a competitive market, having expanded from fleeces and cold-weather wetsuits to more mainstream clothes such as jeans, T-shirts and knitwear. Running a business with suppliers in Portugal, Blackburn and the Far East from this remote corner of the UK means Finisterre's production director racks up significant costs and miles on her travels.

Nevertheless, founder Tom Kay believes the location forms 'an emotional and spiritual headquarters' while the brand also has a store in Covent Garden, London, as well as nearby Falmouth and Braunton in Devon. 'We're right on the cliffs, the sea is 250 metres away and it's a really good source of inspiration,' he says, with staff and its most hardcore customer base testing out new products to refine its new collections.

'There are surfboards behind the door and it's an important part of the lifestyle here.' Not that Finisterre's location isn't without its issues. 'We're down here but compete against the best brands in the world,' says Kay. 'The biggest challenge we've got is to be at the forefront of design, fashion and e-commerce, so we're in London a lot.' His other concern is recruitment. To date, Finisterre has used EU incentives to recruit staff and now employs around 35 people. Of this figure, about half weren't originally from Cornwall

and four moved specifically for the job. Attracting experienced people for more senior roles presents a much bigger challenge. 'We're now after people who have been in the industry for 10 to 12 years, which means they're more likely to have ties,' he says. 'It's an added dynamic that can play in your favour as they might want a lifestyle change and might want to live and work in a beautiful place like this but they might have a bit of inertia and kids at school. We always try to help people move down here – it's really important.'

2 Harbour Brewing

The Cornish water apparently does magical things to the taste of beer but getting bottles shipped out to places that can sell in decent quantities is an expensive business.

Eddie Lofthouse wanted to sell his beer to the 50 pubs around his micro brewery near Bodmin when he started out in 2012. He discovered the local market wasn't just small but sewn up by the big breweries, instead finding more receptive pubs in London before establishing distribution hubs in Bristol, Edinburgh and Newcastle. 'We make hoppy IPAs and there's an easier market for those products outside of Cornwall,' says Lofthouse.

From an output of 3,200 pints in week one, Lofthouse's small business – located on the site of a freshwater spring – now brews 10,000 pints a day, with the capacity to triple production. Selling five bottled products, three in cans and four in casks, Harbour Brewing's bestsellers are IPA and pilsner. 'Our beer is made with spring water which – as well as being free – is perfect for brewing with,' says Lofthouse, adding that Cornwall's soft water is suited to European-style beers with no need to strip out the chlorine.

Successful expansion hasn't come cheaply, though, with Lofthouse estimating that transport costs amount to approximately 20 per cent more than if his brewery was based in Bristol. Further difficulties stem from what Lofthouse calls the 'appalling, antiquated internet provision' in his area, meaning that e-commerce is off his agenda. 'Even though houses that are less than a mile away get 72mb; it doesn't seem a priority to get it out to the more remote areas,' he says.

