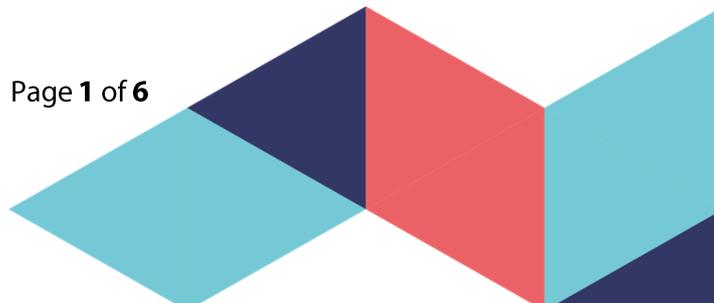


University Centre
Peterborough

Self employ- ment



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Objectives

This course aims to provide you with the knowledge to enable you to explore self-employment.

Understand how to

- What self-employment is and if you have the right skills
- The types of businesses and legal implications
- Ways to get started

Is self-employment right for you?

Take time to ensure you know exactly what you are considering.

Pros	Cons
You are your own boss	Heavy time & personal investment in start-up
Financial & tax advantages	Lack of financial security
Freedom, flexibility	Lack of benefits (holiday, sick, pension)
Personal and financial rewards	Risk of failure

<https://smallbusiness.ng/pros-and-cons-of-starting-a-business/>

Do you have the right qualities?

Just like in any other role, there are skills and strengths the self-employed individual needs.

Commitment - this will require full commitment from you, working longer hours, seeing family and friends less, especially whilst your business is developing

Drive & determination - you are the only person who can make this happen, you need to be self-motivated and have the strength to persevere

Self belief & influence - you need to believe in your business, what you have to offer and be able to persuade others to buy into this service/good

Multi-tasker - you are going to need to maintain financial records, deal with your customers, manage complaints, build client base etc. all at the same time

Self developer - only you will be able to identify what additional skills you need, what skills you need to develop/recruit, explore what competitors are doing and how the industry is evolving

Networking - you need to be able to develop and maintain long term relationships; build up your client base to increase customers, develop new networks, manage contacts

Types of self-employed businesses

Being your own boss can be exciting, liberating, empowering and fulfilling. On the flip side, you are the lead, setting the example and finding the work. It can, therefore, be scary, tough and stressful.

If self-employment sounds like a good career choice for you, you can then consider what type of business it will be.

1. Small business owner - often set up at home by an entrepreneur to reduce financial burden
2. Contracting - paid by various organisations to deliver a specialist service over an agreed time frame e.g. for a project
3. Consulting - provide professional, expert advice, considered highly experienced
4. Freelancing - offers skills/services to multiple businesses, managed by contracts
5. Investor - invests finances in stocks, shares or other businesses

Self employed legal structure

There will be tax and legal implications for each type of business:

- Personal tax liability
- Tax and National Insurance contributions
- Business management
- Funding of the business
- Records to be kept

Company structure

You can choose different structures for your company, depending upon your company's needs.

- Sole trader - You are liable for the debts & personal tax, you keep all of the profits, you are responsible for the business
- Business partnership - You and a partner share the responsibility & profits, you are taxed on your share of the profits, you both are liable for the losses
- Limited liability partnership - Partners are not personally liable for debts, the liability is limited to the amount they each invested.
- Limited company - The company's expenses are separate to your own. The company is liable for corporation tax, profits are shared
- Franchise - You buy a license to use a name & product for a fixed fee (usually part of the sales)
- Social enterprise - Community based or charity based objective where profits are reinvested back into the company

Business start-up -what next

Here are a few steps that you can complete to explore if this is the right option for you.

1. What will your unique selling point be?
 - Does it solve a problem, satisfy a need?
 - Can you place a value on this?
2. Research your opportunity
 - Who is your audience, what's their demographic
 - Is the sector in growth or decline (Labour Market Intelligence)
 - What are realistic price points
 - Who are your direct and indirect competitors
3. Draw up a business plan that highlights where you want to be in 2, 5 and 10 years
 - Evaluate the skills required
 - Consider who you need/what your team looks like (co-founders, employee, external consultants)
4. Draw up a real/honest budget & long term financial plan
 - How long will your initial cash last
 - When do you need your first investment
 - Factor in production and staff costs
 - Be realistic about early demand and growth
5. Explore what support is available
 - Do you need to consider intellectual property rights?
6. Consider identifying a mentor who
 - has 'walked the walk'
 - you will feel confident to talk honestly to
 - will understand your concerns

www.moneyadvice.service.org.uk/en/articles/thinking-of-starting-up-in-business

Business and finance plans

- <https://www.gov.uk/write-business-plan>
- <https://smallbusiness.co.uk/example-business-plans-261463/>

Free resources and local support

Free start-up pack, advice and resources:

<https://www.syob.net/uk/business/PETERBOROUGH/87>

Opportunity Peterborough has some great links:

<https://www.opportunitypeterborough.co.uk/business-support/start-up-support-and-young-entrepreneurs/>

Free start-up course

<https://www.open.edu/openlearncreate/course/view.php?id=2179>

Explore Eventbrite for free start-up courses

Free support @UKstartups: <https://www.ukstartups.org/peterborough-small-business-startup-centre/>

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