

The Reality of Self Employment

Many people dream of running their own business but never take the final step because they can't let go of the security that employment offers. However, redundancy often spurs people into setting up on their own. Michelle Lucas our resident Executive Coach works with many people who have made this life changing decision and here she shares her top tips to help you ensure your decision is a positive one!

First and foremost manage your expectations about what is achievable – remember very few people make their fortune through self-employment and most businesses don't hit break-even for at least two years!

Similarly don't be lulled into believing it will provide you with that elusive “work-life balance” – most self employed people work more hours for themselves than they ever did as an employee! Remember that whilst you may be able to do more of what you really enjoy, you will also become your own Financial, Sales, Marketing and HR Director – and few of us are good at everything.

That's not to be defeatist – there are definitely some things you can do to improve your chances:

- Write a business plan that looks at best and worst case scenarios and review your progress against it regularly
- Outsource the stuff you are not good at, it may cost money but it releases you to do what you are best at
- Be realistic and flexible. To reach your ultimate goal you may have to do work that isn't ideal. Remember cash flow is king – and if you're too fussy your business may not survive long enough for you to live your dream
- Package your product or service in terms of what “pain” it solves. In the current climate there's little appetite for the “nice to have's”, no matter how great an idea it might be!
- Don't be proud – use whatever government funding is available. Talk to Business Link and find out what is available.
- Remember you don't have to find all the work single-handedly. You may be able to work as an Associate or partner up with similar business people to find larger pieces of work. Buying a franchise can offer a great head start in business.
- Network for business by all means but also network for fun! One of the biggest issues facing self-employed people is the sense of isolation you can face – so think about how you can use your contacts for personal support as well as increasing your leads.

Finally, know your financial break point – this is the point where your slush fund is exhausted and you need to incur greater debt to continue your business. Too many people put their home at risk to keep a failing business alive and have ended up losing both! So once you've set a limit, keep to it and bail out when you promised yourself you would; once you have more funds available you can always try again but this time you will be older, wiser and potentially in a more supportive economic climate !

Thinking of running your own business, find out if you've got it takes with Michelle's Quiz "Could you be your own boss ? “ on her website <http://www.coachu4success.co.uk/resources/QuizYourself.htm>