



CHASING PROSPECTS CIC BITESIZE GUIDE

Understanding Self-Employment

A short guide to understanding Entrepreneurship and Self-Employment



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What Is Self-Employment?

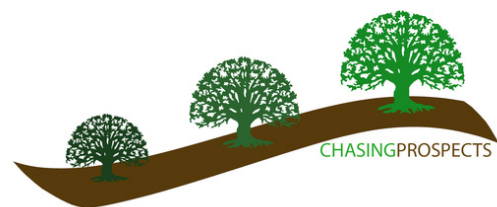
Most Personal Trainers are Self-Employed



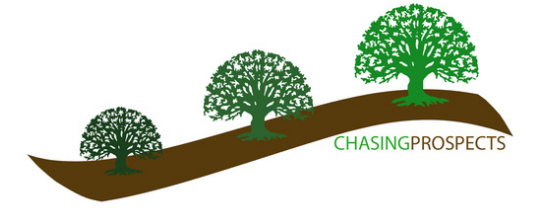
- **If you sell goods or services.**
- **If you're trading, you're self-employed**

You're likely to be trading if you:

- Sell regularly to make a profit.
- Make items to sell for profit.
- Sell items on a regular basis, either online, at car boot sales or through classified adverts.
- Earn commission from selling goods for other people.
- Are paid for service you provide.



Exploring Other Self-Employment Structures



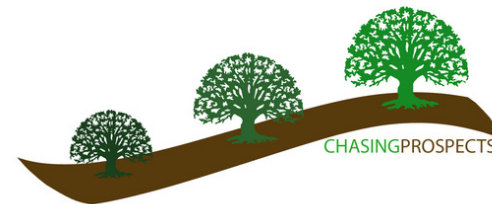
- **Franchise** – Already established company such as McDonalds, KFC which owned and managed by a franchisor, but managed by a franchisee.
- **Freelance/Consultant** – Individuals who have the skills knowledge and experience in a particular field to charge organisations for their services.
- **Social enterprise** – Operated to benefit society or environment, and must transparently reinvest profits to achieve its objectives, e.g. credit unions, development trusts, employee-owned businesses and housing associations.
- **Charity** – Income is attained through grants and donations, rather than trade. Charities pay reduced rates and receive tax breaks.

Types Of Self-Employment



Sole Trader

- Owned & managed by one person and all debt and after tax, profits are personally yours.
- Easy to establish and discontinue with few regulations.
- Typically have low running costs.
- Responsible for day to day financial records but hands responsibility for the end of year accounts to accountants.
- Long hours with few holidays.
- You take full responsibility including any business weaknesses/challenges.



PARTNERSHIP



Partnership

- Involving two or more people using their expertise to own and manage together, e.g. dentist, doctors, solicitors and accountants.
- Deed of partnership states that each partner has contributed share of profit and loss.
- Shared responsibility, reduces time pressure for each individual.
- Making joint decisions.

Skills To Succeed



Creativity

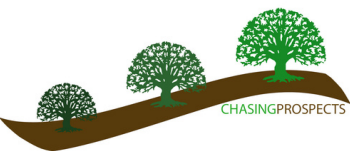
You must be innovative, imaginative and have initiative to push your business forward with new ideas. You'll also need drive, determination and enthusiasm to make them a reality.

Knowledge

Having a strong understanding of your market and customer is vital, while the willingness to listen and adapt to their ever-changing needs is also key.

Self Belief

You'll need the confidence to take risks and responsibility for your decisions, as well as the appetite to network with individuals and other organisations.



DISADVANTAGES OF SELF-EMPLOYMENT

- Lack of employee benefits– You won't get sick pay, holiday pay or any other employee benefit.
- Long hours– Business commitments may mean that you spend less times with your friends and family.
- Responsibility– You're in charge of your pension, National Insurance and completing your self-assessment tax returns.
- Social isolation– Not only can this be lonely, but it's likely you'll also have to work harder to stay motivated.
- Starting from nothing– Establishing your business and building a client base can a long, tiring and at times frustrating process.
- Unpredictable finances– Your income can be irregular, especially in the early days. You could go several months without earning a profit.

ADVANTAGES OF SELF-EMPLOYMENT

- Creative benefits– In charge of the decision making, freedom to explore creative solutions.
- Independence– Set your own hours and fit your work around other commitments.
- Job satisfaction –Reaping the rewards of your hard work can be very satisfying.
- Location– Working from home, avoiding office politics, or an expensive and stressful daily commute.
- Salary – Your earnings potential is much higher when self employed-everything is in your hands.
- Variety – You're in control of your workload, opportunity to work on a range of projects with a number of clients and develop new skills.

Marketing Your Company Or Brand

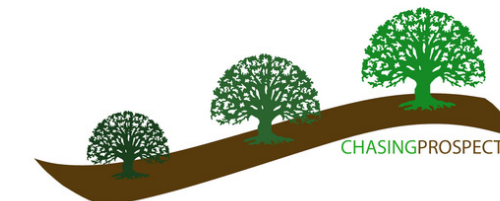
What Your Company Does?

Why Your Brand or Product is Amazing?

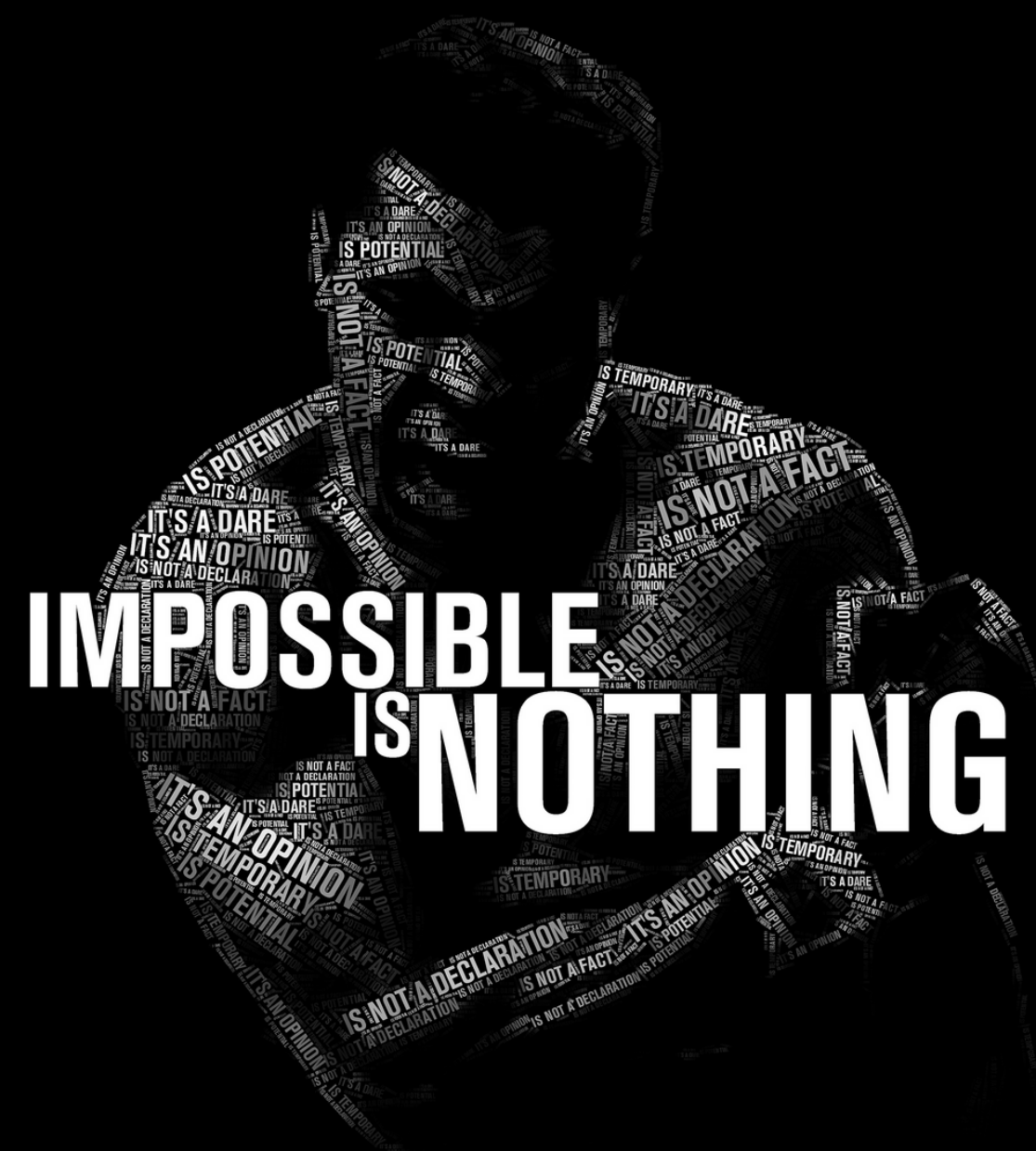
Why Should People Support You?

**WHAT MAKES YOU OR
YOUR PRODUCT/SERVICE
UNIQUE?**





Successful Companies Have To



Have a Unique Selling Point



Have a schedule



Answer questions immediately



Interact with your audience and investors



Have a STRONG WILL TO SUCCEED