

What does it take to be self-employed?

Introduction	1
Seven Personal Qualities of Successful Self-Employees	1
1. Self-belief	1
2. Personal Power	2
3. Self awareness	2
4. Intuition and Creativity	3
5. Sales, Negotiation and Contracting	4
6. Time management and work-life balance	5
7. Team and Community	6
The reality of making a living – financial and emotional security	7
Being yourself: Personal fulfilment and values	7
Acknowledgements:.....	8
For more information.....	9
About the author	8

Introduction

Employment patterns are changing reflecting wider changes in our society. With one in eight people now working for themselves according to the Office of National Statistics, this article examines seven personal qualities that make for a successful business, and the rewards and challenges that self-employment brings.

For many self-employees a passion, belief, talent or skill has led to a business idea that works for them, and supports their lifestyle and emotional needs. For others, the prevailing employment culture of long commuting hours, activities with which they have little connection, and unethical or discriminatory practices has fuelled a move towards making a living that supports authenticity, autonomy and a balanced lifestyle.

Self-employment does not suit everyone, however, so what is it that makes it an attractive and successful option? The practicalities and basic steps involved in planning and administering a business can be learnt from a number of books and courses, but what more than that is needed?

Seven Personal Qualities of Successful Self-Employees

A powerful combination of personal qualities and ways of working characterises all successful self-employees. While some are deeply-held beliefs or inherent personality traits, others are skills that can be learnt with practice.

1. Self-belief

The founder of Mrs FixIt, a DIY business run by women for women believes passionately that women like her have an important role to play in this traditionally male domain.

Believing in yourself and your business service or product is a pre-requisite for selling and providing it to clients. The core business offering needs to come from a place of belief and meaning within you. A new business requires the stability, permanence and energy that come from you believing in what you provide, and following your own direction.

This is not to say you that external guidance is not wanted or needed, or that plans and products don't change, but that you as the founder take full ownership for the shape and character of the business, as something that you believe in and is aligned to you personally. Small businesses are different from large ones in that they are first and foremost about the people that run them – the business fits the person, and not the other way around.

Setting up a business is not easy and can open you up to a range of reactions from constructive challenge to damaging derision. Personal resilience stemming from self-belief and conviction is needed to weather the challenges. In the early days we may have to ask for help a lot, or cold-call potential clients. Knocks (even the seemingly little ones) can strike very deeply, but with self-belief we learn how to pick ourselves up and start moving forward again. Belief grows as the business succeeds, and the success is sweeter because it is personal.

2. Personal Power

Susanna Riviere left a successful law career in the city after 26 years to set up a reflexology practice. She feels more personal power and security in her new existence than she did as a lawyer.

Owning a business is an opportunity to take charge of our direction and use power responsibly. Being responsible and accountable for our own actions, our client outcomes and the success or failure of our businesses requires the strength that comes from real personal power, rather than positional power or status conferred on us by institutions or positions. On a daily basis, we can all see around us examples of unhealthy status hierarchies and misuse of business and social power. For many self-employees, it is this that provides the kick to set up a business on their own terms.

Starting a business can come with an externally-perceived drop in status as, for example, we leave respectable positions in well-known firms for the less certain existence of a sole trader or small business. To some in the outside world we have lost our way (or our marbles!) but on a personal level the opposite is often true.

We live and work in a business world where status, power and “respectability” do hold sway. While respect may be deserved and large organisations can be good businesses, corporate PR departments spend huge sums of money ensuring that their name is associated with a quality service/product. As self-employees, we rely almost solely on our personal power and demeanour to generate our business.

3. Self awareness

David Cheshire, a graphic designer, used to work with a partner but now works on his own from home. He found he missed having someone to discuss ideas with so joined a local group for small businesses for support and comradeship. He also noticed that sitting at a computer all day was detrimental to his work and to his well being. He learnt to spot when he needs a break, and now takes himself off for a walk which he finds helps him solve problems and think differently.

Setting up in business entails huge personal challenges and potential for leaps and bounds in personal growth and skills development. We are required to be good “all-rounders” – achieving the unglamorous housekeeping tasks as well as being the figurehead and visionary shaping and leading the business... all on our own.

Our reliance on new networks expands our boundaries and brings us into contact with a wide range of people and organisations, teaching us more about ourselves. Entering a business relationship forces us to take charge of our own conduct and ways of interacting with others.

We all have energy for different things – for some, getting systems straight and being organised is energising; for others it is deflating. Representing your business to new clients can be uplifting to some, while daunting to others. It helps to know what your strengths are, and to have some way of dealing with the aspects of running a business that don't come naturally. Some business owners keep a journal which is useful to look back on to record progress and identify patterns in our ways of operating.

As an employee, we regularly receive feedback from our working environment to help us identify our developmental edges, and also celebrate our successes. The company may support our personal and professional development through mentoring, coaching and training. As a self-employee, we have to search out both the feedback and the support ourselves. A mentor or coach can be very useful for reflecting on our challenges and grounding our successes.

4. Intuition and Creativity

I started my coaching practice to build on two different parts of my working life – my city-based business consulting experience and my private counselling and psychology training. I used traditional business planning tools together with techniques such as visualisations to “dream” my company into existence, and articulate its goals and values. When dealing with paperwork and catching sight of my logo (a “grounded spiral”), I occasionally re-experience the link to my company's reason for being. The spiral also appears in my front garden, so I see it daily in nature.

Starting a business creates a new entity where there was nothing before. Each company or partnership starts with an idea plucked out of the ether that is grounded, nurtured and shaped. Our businesses become creations with a life of their own whose existence is linked to ours, and vice versa.

Being creative is an essential part of being a small business owner – while we might need to start with standard offerings, each transaction is unique, and our offerings usually evolve over time. We have to find new and creative ways of fulfilling a client's needs. We may have said to a client “Yes, I can do that!” knowing that we can do it, while not

necessarily knowing how the detail will work. We can use intuition to sense what our clients want, and creativity to provide it.

Often small touches can make the difference and show that you are in-tune with your client: for example, one physiotherapist gives her clients a going-home pack of bottled water and bath salts to encourage them to extend the impact of her therapy into her clients' homes.

Sensing, nurturing, grounding, intuiting, creating, breathing life into relationships are all things that can quickly get squeezed out of corporate environments. One of the huge opportunities of self-employment is being able to revive these things in ourselves and our businesses. To some, these might sound like nebulous qualities that are not core prerequisites of a business environment, but with these qualities, work is achieved more efficiently and to higher standard than without them. Intuition and creativity have tangible impact on a businesses rewards and profitability.

5. Sales, Negotiation and Contracting

Antonia Rolls, portrait artist (and "Artist Extraordinaire" on her business stationery!), always writes to her clients confirm what has been agreed. She does this to give her clients confidence that she has heard what has been discussed, and that she has a business-like approach to an artistic service. She recognises that it is a brave and mostly unusual thing to commission an artist, and she skilfully encourages her clients through the contracting process.

A distinguishing feature of authentic businesses is how a business is operated, and that comes across in everything that you do as a company owner. Being clear with yourself and your clients in the negotiation and contracting phase sets the scene for a sound business relationship, and demonstrates your worth and skill to the client, and to yourself.

Most successful small businesses rely heavily on word-of-mouth and referrals from existing clients to make new sales. For most of us, this is part of the strategy and part of the attraction – we want the personal satisfaction that comes from being known for a quality service. In the early days though, we have to invest a huge amount of mental and physical effort into marketing, networking, asking for help/leads, cold-calling, proposal preparation or whatever it has taken us to get to the point of a sale. Finding out what sells us and our business is a process of trial and error, and usually pushes at the boundaries of our knowledge and comfort. But sales are just the beginning!

Negotiations, in the initial stages of a business, are hard. Our prices and standard contractual terms and conditions do not trip off the tongue, as they do with the benefit of practice. They are new to us, and we are finding our way, often while not wishing to let our new clients know just how new they are, and just how much we need them! The situation can take us right back to the discomfort of being a child in the adult world. We can feel we are not negotiating from a powerful position, without the backing of a known name ... and "hungry"!

There is frequently a temptation to discount our product or service – either financially or psychologically - in subtle communication mannerisms that unintentionally devalue it in the eyes of others. ("Y'know, I'd be grateful for the chance. I'm just starting out really, and I'm only a very small business, not like the big players, ha ha".) It can be useful to

return to a statement of self-belief, business plan, or have a coach or mentor around to encourage us and support us through dips in self-doubt.

Contracts should not be boring pieces of paper with jargon and small-print, but should be the vehicle for productive negotiations and healthy relationships with clients and suppliers. They facilitate discussions about terms and conditions, boundaries and expectations. It pays to do some serious thinking about a contract and service before a client meeting (rather than during it!) Of course, in the early days we may need to freestyle a little around plans, and accept work for experience, references or pressing financial reasons. It's easy to be exploited (and to offer yourself up for exploitation without meaning to) in the early days, but proceed with confidence, caution and with your eventual goals in mind.

6. Time management and work-life balance

Chris Hurn, a freelance trainer, teacher and musician, consciously plans and runs his business in both "manager" and "employee" roles: he allocates himself a list of tasks to do in a day. When he has completed the tasks, the day is his to either do more work... or not! He also schedules downtime in his diary.

Being self-employed means you do have a measure of control over when, where and how you work, and how rigidly or flexibly you schedule your time. As one business woman put it, "I may have a busy day, but it's MY busy day!" Just noticing how you respond to time pressures can be useful information – for example, do deadlines motivate or intimidate you? When do you do your most productive work? Do you set aside separate time for responding to people, or are you constantly reacting to emails and phone calls? Do you say yes when you want to say no? How do you prioritise and plan? Do lists help or hinder? Do you procrastinate?

Our work needs to fit with home life, childcare arrangements, hobbies, social or other priority commitments, and the diary can easily end up very full. For someone motivated enough to set up their own business, working hard and juggling commitments is not usually the problem – the issues are usually either that we are not working productively and staying focused, or that we are not spending enough time on ourselves or our businesses.

A vision of seamlessly weaving home and work lives together where clients and family members are always fulfilled, jobs are completed or planned, and you are always relaxed and present is not realistic! There may be the odd, precious day that works out like that, but setting up a business requires us to be responsive and flexible ... which in practice means we have to work when we don't feel like it, and crises and deadlines come all at once!

One huge advantage of working for yourself is that you don't have to do it at a desk and it doesn't have to be a grind. Time in a coffee shop can be work, if you take along a notepad or document. A walk in the park, with intention, can let the solution to a problem bubble to the surface.

To ensure you are staying focused and making the best of your time, it helps to take stock regularly – either on your own, with a business partner, coach or mentor. Prepare

for it as you would if you were reporting progress and forthcoming tasks to a business partner. Learn to recognise if something in your business is stuck, and discover (with others if that helps) how to un-stick it. If you don't have a coach or mentor (or even if you do), giving your business a weekly or fortnightly review is a good discipline and way of keeping focused on short and long term goals.

We need to be compassionate with our need for space to recharge and relax. There are not many good role models in our business culture for doing this, as lunches get shorter, days get longer and things appear increasingly urgent. Changing the pace of our lives requires effort, so we usually feel resistance to slowing down, but the effort is well rewarded – even just a few minutes a day makes a difference. Something business-related but different from our normal day, for example going on short courses/conferences, reading newspapers/journals can be a good way to recharge and expand our thinking. For complete downtime, most of us know what we need to do to feel recharged, whether it is reading, seeing people, sport/activity, connecting with nature, listening to music. It's worth scheduling it in your diary.

However, downtime should not be yet another time-management thing to beat yourself up about. Just keep an eye on it - if you have the energy, go for it, if not, recharge.

7. Team and Community

Wimbledon Women in Business (WWIB) is a not-for-profit group which provides a networking, discussion and education forum for women running their own businesses. It was started in 2003 by 6 women meeting in Wimbledon's front rooms and back gardens. One year later, it has capped membership at 40, meets in the Village Hall, and has supported the launch of two spin-off groups in neighbouring areas.

Small businesses are never truly "one-man bands". We rely on the community out there for our clients, suppliers and support, and we will often provide services to the community we live in. We become linked into the world in a much more direct way than we are, often, by being employed, and meet people and groups we might not have encountered before. Many self-employees describe a meaningful existence where they can see the effects and value of their work first hand, as well as meeting and working with interesting people.

The feeling of not being part of a team is something that can put many people off starting their own business. It is true that many of us miss this "staff room environment", especially when starting out. We can spend a whole day dealing with clients and suppliers in our professional role, without having colleagues around to provide feedback, inspiration, and have a laugh. Partnerships, franchises or working with associates can provide that team feeling, if that suits your business. Alternatively local groups, such as WWIB, can be wonderful places to meet people, learn and do business. Many professions have professional bodies that provide opportunities for a feeling of community through conferences, networks or a directory of members. Local Chambers of Commerce can be good places for practical support and friendly contacts.

We become known in our community when we provide a service, reinforcing the idea of us as our business, and our business as us.

The reality of making a living – financial and emotional security

No-one can predict whether your business idea or service will be successful, although the opinion to trust most on this is your own. The definition of success is also up to you. Businesses do fail to thrive/survive but this is not necessarily a failure if business and personal lessons are learnt and absorbed.

Contrary to any stereotype, you do not need to be a high-flying/fast-talking/sales-grabbing/suit-wearing (wo)man to set up in business. There are many different types of people who run their own business, and there is no blueprint for being successful at it (and I include the content of this article in that!) Knowing yourself is a good start – for example, if you are a low-risk person, build a high degree of contingency in to your plans.

Our plans often take good health for granted. More starkly evident than ever is the need to keep ourselves healthy – it is up to our personal philosophy whether we guard against sickness by through preventative medicine, self-care or medical insurance, or a combination of all three. A good starting place for mental and physical health is to decide what holiday time we need and keep this time precious.

Almost all self-employees are surprised by the amount of administration and red-tape that there is in setting up and running a business, especially in highly regulated industries. Be aware of your industry's requirements before starting out.

Unless we are very fortunate, there will be financial uncertainty in the early stages. There are various approaches to financing a new business such as business/personal loans, savings, sharing a partner's income, part-time working or venture capital - some will suit you and your business better than others. Setting up costs e.g. for working space, equipment and marketing can feel astronomical when there is no money coming in. Working from home can be a low cost option, but it brings its own inconveniences (as well as benefits). It is easy to begin to worry when money is going out, whether enough (any!) is going to come back in. Anxiety management techniques, together with financial and business planning should give us the space and comfort that we need to nurture the core business. Building a company is organic – we need to plant the seed, let the roots “take” and it may be a few seasons before we see shoots and fruits. Things are often without form to start with but become clearer as time progresses.

In practice, it can take years for the right emotional, practical and financial circumstances to coincide to support the launch of a new business. But at some point many of us take the leap, and some take it more than once...

Being yourself: Personal fulfilment and values

In conclusion, if you can identify with the aspects of self-employment described above, and are prepared to accept the practical, emotional and social challenges, owning a business could be for you. It is one possible path to personal fulfilment, and living in accordance with your own values. I do not consider self-employment in any way to be inherently better than other ways of living – it just suits some people, myself included.

One of the major causes of workplace stress cited in numerous reports is employees not having control over what they do and how they do it. In self-employment, we have options to control all the aspects of our working lives – how well we do this depends on how good we are at setting our goals and boundaries. It can be hard work to be self-employed, but it doesn't have to be stressful.

For me, having an emotional connection with what I do, within an ethical framework I truly believe in, with my earnings, work associates and future direction up to me is invaluable. The personal satisfaction that I get from working with clients is immense – they are genuinely grateful and I am genuinely touched. It has not always been easy, but the difficult bits have helped shape me and the business.

Now... where is that latest VAT return...?

Acknowledgements:

I am extremely grateful to the following people who were happy to be interviewed for this article, and generously shared with me their insights and stories.

Antonia Rolls (Portrait Artist), Cate Newnes-Smith (Mountain Top), Jocelyn Ashton (Building Blocks Nurseries), Susanna Riviere (Reflexology and Meditation), Lucy Martin (Gina's Nannies), Christina Macpherson (Speed Dating for Singles), Sarah Holland (Life Support), Kelly Chandler and Britt-Armstrong Gash (The Bespoke Wedding Co), Paula Lamb (Mrs FixIt), David Cheshire (Le Cluse & Cheshire Graphic Design), Phil Fox (1st class software), Chris Hurn (freelance teacher and musician), Indu Khurana (Sunai).

I also wish to thank all the members of WWIB, past and present.

I am also grateful to my coach, Liz Veacock.

About the author

Bella Mehta is a coach and with fourteen years' experience of business management and consultancy. She has been employed by the Current Science Group, Deloitte Consulting, BBC News, and a dot.com that went bust. She has worked in the public, private and voluntary sectors, and in various freelance roles including as a music teacher and as an HR advisor.

Bella has studied at Trinity College of Music, London, has a BSc (Hons) in Biochemistry and Pharmacology, an MSc in Information Management and a Postgraduate Diploma in Humanistic Psychology from the Institute for the Development of Human Potential (IDHP). In 1999, she completed a year of training in Counseling using Transactional Analysis at the Metanoia Institute. She remains committed to her personal and professional development, with regular attendance on courses/events and ongoing supervision. She is committed to running Enspiral as a professional, ethical and rewarding practice.

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For more information

For more information about career coaching, including how I can help you evaluate your career choices and your next move, prepare for self-employment, support you in an existing business or support you in employment, please contact me. I am offering readers the chance to book eight coaching sessions for the price of seven until end of July 2005.

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