

Start Your Own Home-Based Business

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'May you live in interesting times' is, so I am told, an old Chinese curse. The implication is that most of us would far rather live in ordinary, even slightly dull, times. Interesting times suggests times of insecurity, of disruption, of change. And most of us, while we may agree that 'a change is as good as a rest', are uneasy when the world appears to be changing almost daily before our eyes.

Well, like it or not, few would deny that these are interesting times. Seldom has the pace of change in the world been more rapid. And nowhere has this been felt more than in the world of work. In the UK at least, the last ten years have seen the virtual collapse of manufacturing industry. The whole concept of 'a job for life' has vanished, with many people facing redundancy not just once, but two, three times or more during their careers. Even in sectors that were previously bywords for stability, such as banking and insurance, large-scale redundancies have become the norm. Many jobs advertised today are not permanent – whatever permanent might mean now – but on short-term contracts. And the global financial crisis of 2008, the effects of which are likely to be with us for many months yet, has further destabilised the employment market. As a result of all these factors, very few people today have the luxury of knowing that they will still have a job this time next year.

All change, however, brings opportunities as well as threats – and I firmly believe that as a result of some of these social and economic changes the prospects for people wanting to start a business of their own have never been better. Many of the organisations that laid off staff now buy in services from freelancers or small businesses. Advice and assistance is widely – and in many cases freely – available for people who want to start up on their own. And advances in information and communications technology (computers, mobile phones, the Internet and so on) mean that self-employed people and small businesses can compete more effectively than ever before with large corporations. These developments have also, of course, created a wealth of (home-based) business opportunities for people with relevant skills, such as website designers, computer programmers, and so on.

Starting your own business is far more than just a substitute for traditional employment, however – it is a positive career choice in its own right. With many jobs today offering little in the way of satisfaction or prospects, more people than ever are looking for alternative ways of finding fulfilment in their work. Not only that, many are seeking more flexible

working arrangements that allow them to enjoy more time with their families or pursuing leisure interests. Running your own home-based business – in which I also include businesses such as gardening and window cleaning where you work mainly on customers' premises – can provide great satisfaction and the potential of good financial rewards, and it can be as flexible as you wish. A home-based business is also, of course, ideal for many people with disabilities. As a result of all these factors, starting a home-based business has become for many people their favoured route to achieving the life they desire for themselves and their loved ones. Every year, thousands more people are 'breaking free' to enjoy the flexibility of self-employment and the satisfactions and rewards of being their own boss. This book will show you how you can join them...

So why did I write *Start Your Own Home-Based Business*? For nearly twenty years I have run a successful home-based writing and consultancy business, specialising in careers and self-development. During this time I have met many other home-based workers in a wide range of occupations. Without exception, they all agreed that starting in business was one of the best decisions they ever made, and not one (except on a very bad day) ever expressed any wish to be back in a conventional job. I believe that, for many people, starting a home-based business can be the answer to unemployment, job insecurity, work-based stress and the lack of flexibility in traditional employment. If this book serves to ease the path of just one person into the exciting world of running their own business, I shall be more than satisfied.

I'd like to close with a word of thanks and an appeal. Thanks must go first to the many home-based workers and organisations assisting them who helped me in researching and writing this book. Special thanks must also go to Liz Fleetham, of Wolverhampton University Business School, who commented on the draft manuscript, and Janet Macdonald, who helped to research the job profiles. And the appeal? I should like to ask you, valued reader, to write to me via my publishers if you have found this book helpful, or you have any suggestions for the next edition. And if, as a result of reading this book, you set up a home-based business of your own, I should be delighted to hear about it.

I wish you every success.

Nick Daws
Burntwood, UK

chapter 1

Why start your own business?

In the UK, and many other countries as well, starting your own business has never been more popular. According to a YouGov survey in 2009, despite the global recession, a third of British people want to start their own business or have already done so. Less encouragingly, around 500,000 UK businesses close down every year (source: Barclays Bank). So why, despite the obvious risks, are so many people drawn to starting businesses of their own? Their reasons are as varied as the individuals themselves, but the most common include the following.

1. To Make More Money

It's a well-known saying, but nonetheless true: nobody ever got rich working for someone else. If you run your own business, the profits will go into your pockets rather than those of someone else (who probably has more than enough already...). If your business does well, you can make a lot of money – certainly more than you could ever earn doing a similar job for someone else.

2. To Be Independent

In our fast-changing world, few if any jobs now offer long-term security, let alone opportunities for career progression. For many people, one major attraction of starting their own business is to obtain the security now seldom available in paid employment. By starting a successful business they hope to obtain greater independence and financial security for themselves and their loved ones, and perhaps in the long term generate a valuable legacy to pass on to their children.

3. To Gain Personal Satisfaction and Fulfilment

This is a very important reason, especially for people whose current circumstances give them little of either. Being your own boss gives you a measure of freedom and power. You have the chance to exercise and develop your existing skills and learn new ones, and every day to face the excitement of fresh challenges.

4. To Obtain Higher Status in the Eyes of Others

Though some may be jealous of their achievements, in general successful business people are held in high esteem by others in the community. By providing goods or services, perhaps employing other people, and paying taxes and duties, they make a real contribution to their community and the quality of life of everyone in it.

5. To Follow Through an Idea or Invention

This is not the most common reason, but many businesses exist because the owner had an idea or spotted a gap in the market, and saw an opportunity to make money from it.

Many people think from time to time about starting a business, but frequently it goes no further than that. Often it takes the spur of a sudden change in circumstances for vague plans to crystallise into something more definite. So perhaps one more reason should be added to this list:

6. To Escape from a Sudden, Unwelcome Change in Circumstances

The most common example is unemployment caused by redundancy, but there may also be changes that make your position at work uncomfortable or even untenable. For example, a reorganisation may mean that the nature of your job changes fundamentally, or a new manager may be appointed who decides your face no longer fits in his (or her) department. Or the change may be nothing to do with your job: perhaps for family reasons it becomes essential for you to spend more time at home (e.g. to care for an elderly relative). Any of these circumstances may provide the incentive for people to seriously consider setting up on their own.

All these reasons and more are potential advantages of starting your own business. There are, however, some possible drawbacks as well, and this is something to be aware of when deciding whether starting a business would be right for you.

1. Possible Variations of Income

Instead of having a 'secure' regular weekly or monthly income, a business owner depends for his income on the success of the business, and this is likely to vary from month to month. Of course, an employee's sense of security may well be illusory; if the company employing him is unsuccessful, he will soon find himself out of a job. However, a large business is often able to absorb a temporary downturn in its fortunes by cutting costs and drawing on reserves, so employees are less quickly and directly affected by their employer's difficulties. A business owner, on the other hand, suffers an immediate loss of income if his business passes through a difficult period.

2. Sacrifices

Starting a new enterprise may involve sacrifices both for you and your family. Many businessmen and women have sacrificed their career

prospects in a large organisation in order to go out on their own. If you decide to be your own boss and it doesn't work out, you may find it difficult to re-enter paid employment for someone else. During the business's first few years it may be hard to find time for a holiday or leisure activities. There may also be financial sacrifices, as in the early years most of the profits from the business may have to be re-invested or used to pay off loans. In the short term, you and your family's general standard of living may well be reduced.

3. Hard Work and Stress

In spite of the apparent freedom of being your own boss, the early years of a new business generally require you to work longer hours than you did before. You will have to bear all the stress and worry of the business, and will probably carry this with you even when you are not actually working. There can also be a sense of loneliness and isolation. Many people who decide to set up in business begin (at least) on their own. One common complaint among such people is that they miss the day-to-day banter of the office or shop floor. They also miss having colleagues to turn to when it comes to making difficult decisions or solving problems.

Although at first sight the above may appear rather daunting, it is important not to over-emphasise the possible drawbacks. The truth is that for many people, especially those of a go-getting and entrepreneurial temperament, the attractions and advantages of starting a business greatly outweigh them. One message that should come through clearly, however, is that running your own business is far more than just a means of making a living: it is, quite literally, a way of life. It therefore requires commitment and self-belief, both on your part and that of your family. This is discussed in more detail in the next chapter.

chapter 2

Requirements for success

Deciding to start your own business is unlike applying for a job in one very important respect. While selection for a job usually depends on filling in an application form and attending for interview, no-one else chooses you for self-employment – you must decide for yourself whether you are suitable. Just as it is important to look at your reasons for starting a business, therefore, it is important to examine the qualities and skills you possess personally. These are not simply the specific product- or service-related skills needed for the business you intend to start (essential though these of course are). Rather, they are the general skills and qualities everyone starting in business must have.

So what are the personal qualities you need to succeed in business? Here are the answers some businessmen and women gave themselves.

By far the biggest quality is determination. If things don't go right at first, you have to keep on. Everyone's allowed to make a few mistakes. The main thing is not to be put off when you hit snags.

Eric Lunn, Director, Hinges & Things

Always remember that failure is merely a stepping stone to success. When things go wrong (and they will!), pick yourself up, dust yourself down, and start again. You've learned what doesn't work. Now try it a different way. Don't resist failure: it's essential to being brilliant in business. He who never fails, never wins!

Karl Moore, Managing Director, White Cliff Computing Ltd
www.karlmoore.com

You have to commit yourself to it. If you see an opportunity, however small, you must pursue it relentlessly. If you go into business half-heartedly or with your fingers crossed behind your back, then you're likely to fail.

Mr F.M. Dawson, Proprietor, Framada Materials Handling

You have to be dedicated, maybe even a bit obsessed! Bags of energy and enthusiasm to get you through the difficult times, which there will be. And, in my line anyway, it helps if you like people and get on with them.

Frances Look, freelance photographer

You need determination, to work long hours – especially at the start, and never give up. Don't let disappointments deter you or affect your morale. But the rewards make all the effort worth it.

Anthony Todd, Managing Director, East Cheshire Printers

A need to provide a high level of service and to understand customer requirements and explore ways of serving their needs in a most cost effective manner.

Mary Lees, Director, Sawyers Packaging

As these quotes reveal, everyone has different views on which qualities are the most important for success in business, but there are certain requirements that come up time and time again.

(1) Determination

Many people talk about starting a business, but only a small proportion do anything about it. Starting a business is a major decision that will change your life and that of your family. It is important that you are committed to your new career before making such a move; and that once you have started the business you are determined to see it through to success.

(2) Willingness to Work

We all think we are willing to work hard, but if you start a business you will soon find out what this means in practice! In the early days at least you are likely to have to work longer hours than the average employee. Although as your business becomes established some of the pressure may ease, you must still expect to work longer and harder than most people in paid employment.

(3) Persistence and Perseverance

Successful business people let nothing get in the way of achieving their goals. If they encounter problems, they try to find ways to overcome them. If their first attempt does not succeed, they try a different approach; and, if this doesn't work, another. They are not put off by pitfalls, or discouraged – other than temporarily – by failure. They persevere in their efforts until, eventually, they do succeed.

(4) Stamina

In view of the hours you are likely to have to put in, stamina and at least reasonably good health are important. People running businesses have to avoid taking time off for sickness if at all possible. As a self-employed sole trader in particular, if you are not working you are not generating any income. And if you let down a customer, next time he is likely to go elsewhere.

(5) Self-discipline

If you are in a paid job the chances are you will have a manager or supervisor, part of whose duty is to ensure that you fulfil your obligations to your employer. Your reasons for wishing to start a business may include escaping from such individuals! However, while as a business owner you will have no-one standing watch over you, you will still have obligations to customers, suppliers, employees, officials, and so on. If your business is to go on running successfully, it is important that you have the self-discipline to fulfil all your responsibilities and see a job through to the end.

(6) Willingness to Take Risks

All business people have to take calculated risks. Whereas in a job you have the relative security of a regular wage or salary, as a self-employed person there is no guarantee what your income will be from one month to the next. You will constantly find yourself having to make decisions about where and how to advertise, which areas to specialise in, when to invest in new equipment, and so on. Although this constant decision-making can be stressful, it can also be satisfying and enjoyable. Solving problems and making decisions can give you a sense of power and confidence.

(7) Ability to Cope with Stress

Starting and running a business inevitably imposes a range of stresses, both on the businessman himself and on his family. In the beginning at least, long hours, hard work and disruption to family life can cause tension. To be successful in business you need to be able to cope with, and even thrive on, this kind of pressure.

(8) Enthusiasm

Enthusiasm is an essential ingredient of every businessman. If you are half-hearted about your new venture you may have difficulty summoning sufficient determination to overcome problems when they arise. If you are enthusiastic, on the other hand, you will relish the challenges your business presents. What's more, your enthusiasm will rub off onto customers, employees (if you have them) and other people you have to

deal with. Most of us would far rather work with or buy from someone who is enthusiastic and enjoys his work, rather than someone who is permanently depressed about it.

(9) Ambition

Most business people have a driving ambition to achieve the best they can for themselves and their loved ones: as well as money, this may include financial security and a better way of life. With such ambitions they can cope with any setbacks along the way, because in their mind they have a goal or vision that drives them on. Ambition and determination together can overcome many obstacles. In business, as in most others aspects of life, if you know what you want and are determined to achieve it, the chances are excellent that you will succeed.

(10) Honesty and Willingness to Give Good Service

Every business depends for its continuing survival on a circle of satisfied customers. If people are pleased with the service they have received from you, they are likely to recommend you to others as well as keep coming back themselves. By contrast, if you give poor service then, even if they do not complain at the time, they will not return; and rather than recommend you to others, they will warn them about you. If you have a good reputation this will ensure that more people keep coming to you. For this reason, successful business people go to great lengths to obtain and keep a good name for themselves.