
Thoughts from the sharp end

Running your own business

Colin Butcher
XDelta Limited

www.xdelta.co.uk
+44 117 904 8209

Some hard questions!

- What motivates you to start your own business ?
- What do you do that is unique to you ?
- Why should anyone hire you to help them ?
- How do people know that you exist ?
- How could you survive for 18 months with no work ?
- What is your exit strategy and succession plan ?

The brutal reality

- Don't expect to be in paid work all the time.
- Be well prepared - use slack time to work hard on stuff that you don't like doing.
- Recognise that pre-sales activity is essential - and don't expect it all to pay off.
- Realise what's happening to you mentally - you will experience highs and lows, often in the same call!

Business is personal

- You are what your customers think you are, not what you might think you are.
- Become more aware of “soft” skills in order to “fit in” (clothes, language, behaviour, car etc.).
- Treat clients as friends and colleagues - keep in touch, even if there’s no immediate work.
- You’re only as good as the last time someone thinks you didn’t do a good job, for whatever reason.

Behave like a business

- You are operating as a commercial business - so behave like one (collaborate, establish a diverse customer base, contribute to many different professional communities, etc.).
- Understand the psychological contract you've entered into with a client and reflect it in the statement of work with clear boundaries and responsibilities.
- You can always say “No”, nicely.

Meeting your obligations

- There is a lot of administration that has to be done - expenses, invoicing, VAT, PAYE, contracts, insurances, annual returns, 'maintenance of equipment', etc.
- There are also legal and regulatory responsibilities which you have to meet – many of which have fixed timescales and penalties.
- Offload what you can't do or don't want to do, but it's still your responsibility.

Keeping your head above water

- Understand the field you work in and what's expected of you by your customers.
- Keep learning, evolving and adapting.
- Strive for excellence. Be the “trusted advisor”.
- How do you find time for everything ?
- Where can you go for help ?

Your trusted advisors

- Have people you know and trust acting for you:
 - Legal advisor (NDAs, contracts, disputes, late payment etc.)
 - Accountant (agent dealing with HMRC for PAYE, VAT, personal tax, corporation tax, etc.)
 - Insurance broker (PI cover, general business cover, employers liability, public liability, travel insurance etc.)
 - Financial advisor (pension, critical illness, income protection, investments, etc.)
 - Technology advisor (IT support, telephony, web site, etc.)
 - Trade associations and professional bodies (IPSE, AICS, BCS etc.)
 - Sales assistance (finding projects and closing business)

Use technology sensibly

- If it doesn't make your life easier, don't do it!
- What you have and how adept you are at using it is part of your professional appearance.
- Your data and your systems are your responsibility. You have no-one else to blame. Be prepared.
- Your ability to deliver depends on your equipment being fully functional when you need it.

Interoperability

- Your ability to operate as if you're part of your client's organisation is essential.
- Data interchange and compatibility in whatever form the clients needs or provides is essential.
- Think about security and confidentiality. Never make assumptions - ask first.
- Encrypt and secure your data and e-mail appropriately.

Purchasing “stuff”

- Systems and equipment have a finite operational life. Plan accordingly.
- You generally get what you pay for. Budget accordingly.
- Invest wisely in your own technology infrastructure. Make the effort to understand it.
- Treat business money and personal money entirely differently.

Minimise risk and hassle

- Hassle can damage an independent professional far more than it may hurt a bigger business.
- Things will go wrong. It will never be convenient. Be adaptable. Murphy was an optimist!
- Know how to set your systems up. Know how to back them up and how to restore them.
- Stay reasonably current with hardware and software, even for 'simple stuff' such as cellphones.

Expanding your business

- Are you prepared to risk your personal reputation to help others find work ?
- How will you explain it so that clients trust all of you ?
- How can you find work for other people while you're also doing work yourself ?
- How can you fund and manage that expansion ?
- Are you the best person to lead it ?

Administration and structure

- A bigger business will need to have all sorts of things in place, such as: policies on equality & diversity, environmental impact, health & safety, quality; insurances; project plans and management tools; etc. etc. etc.
- Don't underestimate the administrative workload of a bigger business.
- You'll need to be a lot more organised and structured to ensure that nothing gets missed.

Reputation, ethics and values

- By involving other people in your business, you're trusting them with your reputation – and vice versa.
- Having made the decision to involve others then you have to live with the consequences when they make decisions on your behalf.
- The ethics and values of the people you choose have to match your own, then you have a sound basis for trusting each other.

Leadership

- Your colleagues will often have better ideas and insights than you will, so be prepared to let go.
- You will have to learn new skills, especially around making business decisions.
- There is no room for passengers – everyone has to be committed to the cause and actively contribute.
- When it goes wrong – it's still all yours. When it goes well, you have to share out the credit.

Keeping the pipeline flowing

- You now have to be a lot more structured about planning ahead and finding good quality work.
- How will you fund the time and effort involved to identify potential customers, find opportunities, qualify them and bring some of those to fruition ?
- What kind of work is appropriate for the set of skills and people you have ?
- What kind of customers do you want ?

The 3 x 2 matrix

	In crisis Panic	Aware of need Normal	Planning ahead Smart
What's involved? Understands value	Probably taken by surprise	Prepared to discuss approach	Understand value of early involvement
How much? Cost driven	Likely to be conflict	Less likely to understand issues	Probably "just looking"

Can you help them?

Delivering the goods

- Clearly establish the contractual boundaries for the work you undertake .
- Clearly identify the criteria for successful completion and payment milestones along the way. Get paid on time!
- Pay your subcontractors on time. Cash flow is a lot more important as your business grows.
- All you need is a reasonable number of good customers.

Running your own business

Enjoy it and have some fun along the way

Colin Butcher
XDelta Limited

www.xdelta.co.uk
+44 117 904 8209