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GEOFF BURCH GO IT ALONE

The Streetwise Secrets
of Self-Employment

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GEOFF BURCH



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To my best friend and wife, Sallie, who by waking me at 3 a.m. every day to tell me the book needed finishing, helped to get the job done. Also to all the Go-it-Aloners that I know, who not only inspired me, but have become my friends as well.

CONTENTS

<i>Introduction</i>	1
1 Look Before You Leap – The Philosophy Bit	9
2 On Your Own: Now What?	31
3 Money Troubles	53
4 Swimming with the Sharks	65
5 The Money Spinners	85
6 Now Ask Someone to Buy Something	105
7 How Can You Sell Them Anything if You Can't Get to See Them?	129
8 OK, So Now You're In, Then What?	141
9 Questions, Questions, Questions	167
10 Customers – Who Needs Them?	189
11 Marketing	209
<i>Epilogue: The Zen of Going-It-Alone</i>	221
<i>Further Reading</i>	227

INTRODUCTION

Despite the fact that I am supposed to be some kind of corporate guru, I have always enjoyed spending a little time helping out with small-business start-up schemes. What prompted me to write this book was the experience of addressing the 'I want to do my own thing' contingent of an outplacement scheme. The thinking behind such projects seems to be that, when all else fails and a 'proper' job can't be found, you have to go off and start a business of your own.

There was a time when, if you got caught fiddling your dole or social security money, you could avoid further action by signing off. There was then an opportunity to go on the Enterprise Allowance scheme, which at the outset was a few quid a week, no questions asked, while you got the enterprise on its feet. This meant that I was confronted by a room full of those of the buccaneering spirit, to put it mildly. We would talk of selling oneself, the minimum red-tape requirement to prevent embarrassing prosecutions, and how to avoid converting all income into alcoholic beverages. You may feel that this was a recipe for disaster, but in fact they all did rather well in their own way, and it was my future delegates that have caused the most concern.

In recent years, it is the middle classes that have taken the hammering as regards jobs. As the bloody slaughter of middle management goes on, I now walk into an entirely different atmosphere. Instead of the nose rings, the creak of black leather, the abusive T-shirts, and pungent aroma of ganja and engine oil, I am now met by Prince of Wales check, shoes that shine like new conkers, a row of very sharp pencils, folded arms, and an

atmosphere of hurt bewilderment. I ask each delegate in turn what brought them here, and what their plans are for the future.

I hope that this book is going to be a great adventure for you. Part of it will be based on the replies received from these poor unfortunates. We will examine what can be done to secure a rewarding future for them and us, but let's save the really juicy bits for later and just have a quick glance at what they say:

'You, Frank.'

'Well, I was made redundant from my position of Resources Director for International Trip Wire Dot Com.'

'And your plans?'

'I plan to become a consultant.'

'George?'

'I plan to become a consultant.'

'Janet?'

'I plan to become a consultant.'

'Derek?'

'I plan to open a tea shop.'

'Don't tell me,' I say, pinching the bridge of my nose in the style of all stage psychics I have ever seen, 'You are going to call it the Mad Hatter's Tea Shop.'

A gasp of astonishment, 'How on earth did you know?'

'Oh, just a lucky guess, I suppose.'

Lambs to the slaughter, doomed every one of them. But do you have to be doomed? Is there any hope? It's tirade time!

Professor Charles Handy writes some great books, and in a recent 'good guru guide', he was named as the philosophical champion of the damaged middle classes, but he says society must change. Well I agree, but it won't. It's like someone striding around the deck of the *Titanic* shouting, 'Ban all icebergs'. These books are gentle, reassuring, and comforting, but empathy is not what is needed on that listing deck. Me, I would dress in femi-

nine attire and shout 'Women and children first'. In other words, if the circumstances won't change, then we must, and I intend to show you how to survive and survive well by hook or by crook.

WHY BE SELF-EMPLOYED?

When doing my outplacement guring, I often encourage people to consider self-employment. This idea is often met with an enthusiasm that is tempered and even quashed by the fear of the unknown and of the obvious insecurity. I continue to encourage because, while I am familiar with the worry of not knowing where the next job is coming from and the feeling of doom when I consider my overdraft, I also know that the benefits outweigh the disadvantages. To my pleasure, I saw one of my former delegates some 18 months on. She had pockets that bulged and overflowed with large-denomination banknotes, she drove a fabulous convertible Rolls Royce, and with her were two Chippendale-style companions who pandered to her every need.

'So, it's going alright then?' I asked her.

'Oh yes,' she grinned. She was a godsend – I could use her as the example for anyone to be self-employed. 'It's clear why you are self-employed,' I said, 'It's all that lovely money.'

'Nah,' she replied, tossing a few handfuls of tenners casually into the air. 'I'm not interested in money.'

'That wonderful car then?'

'No, not bothered.'

'Then it's obvious, it's the adoring manservants.'

'Nope, I can take them or leave them.'

'Then why on earth are you self-employed?' I asked.

'Job security,' she replied with a big cheesy grin.

Now that had really got me stumped. I believed I knew every conceivable benefit of self-employment, but job security has not exactly been top of the list. She went on to explain that all her

working life she had been a faithful manager for a fizzy drinks company, getting up at six in the morning to be the first in, and being the last to go home. She told me that she would watch the lazy guy with whom she shared an office doing his lottery numbers, organizing the staff bowling team and generally wasting time.

‘For every pound I earned through my sweat, half would subsidize this moron. It wasn’t fair. I was so loyal and conscientious, I would wake in the night thinking of fizzy drinks. Then one fateful day, someone at head office said, “Let’s shut Milton Keynes,” and I had no job. Was that security?’ she asked. ‘Listen, now I’m self-employed, I’m hardly likely to wake up one morning and make myself redundant, am I? Do you know why they shut my plant? Because they had a one-third drop in business and I happened to be in the third that got the chop. Last year I made £300,000. If my business drops by a third I’ll have to struggle by on £200,000 – poor me! If you’re self-employed, you’re never unemployed. Skint, maybe, but never unemployed, and that’s what I call secure.’

This really shook me up. Why do we believe that doing our own thing is less secure than a ‘proper’ job. Do you really think that your lords and masters are better at finding profitable work than you are, that they could handle money more efficiently, produce better quality to more markets or impress more people? Perhaps it is the business skills and experience that make the difference.

The answer is simple. Just learn those few extra skills and trust yourself more than your bosses, past and present, and I assure you that self-employment is secure employment.

WHAT ARE YOU WORKING FOR?

Go-It-Aloners work for different things. It is Tuesday afternoon and you are at the cinema. Do you feel guilty for not working? You do? Then you are no Go-It-Aloner yet.

I spoke to a friend, who is working himself very successfully to an early grave, about what he was working to achieve. He pointed proudly to his new £80,000 Jag.

‘Forget your £80 per hour call-out charge,’ I said to him, ‘After tax, you probably clear about £20 per hour. That car costs 4000 hours of your life. That is 100 working weeks or, if you like, two years. If I pinched £80,000, I wouldn’t expect more than a two-year sentence, and you have cheerfully sentenced yourself. Wouldn’t it be nice to have two years of free time?’

High-flyers die of stress. Say they earn £200 per hour – with a more modest lifestyle they could put in four hours on a Monday morning and have the rest of the week off.

THE VERY STRANGE ACCOUNT

A friend, who is a highly paid auditor, does this, only he does it by the year, not the hour. He works like fury for three months doing his auditing for £24,000 a month. He spends a gentle three months on crazy but cheap business ideas that, strangely enough, make a lot of money, probably because he doesn’t care. Isn’t that always the way? He then spends six months living like a beach bum in Barbados. He lives in a modest home, and drives an awful rat heap of a car. The side-effect of this leisure time is what seems like dozens of happy children for whom he has all the time in the world. He says that we are born with a very strange bank account full of the most valuable thing in the world. We can draw and draw on this account and use its contents for any purpose we wish, but when it is empty, it is empty and cannot be replenished. We never know what balance is remaining because there are no statements. This account we are born with is filled with time – something we should not swap too readily for cash. After all, death is in effect temporal bankruptcy, and no money in the world will bring time back.

My buddy with the Jag asked me what he would do with all

that free time. What did you do with your long summer holidays as a kid? I built dens and cooked camp-fire teas. What are you doing at this moment? Whatever it is, wouldn't you rather be cooking a sausage on a stick, riding your horse across the hills – you are a long time dead.

The serious aspect of this for the Go-It-Aloner is that, to start with, the work may be patchy, and if there is a small mortgage, a cheap car (or no car at all), no overheads or big leases, you can survive very well on a small income. Then you don't need to worry, and you can enjoy the leisure time. Of course, you can have bumper harvests, but don't buy the Jag. Think camel, and fill your hump, then if the work dries up or becomes too boring to do for a while, you can survive very nicely for as long as you like.

THE VOICE FROM THE OTHER SIDE

Sometimes stress is calculated by giving score numbers to certain life events: moving house 3, redundancy 7, loss of a spouse 8, theft of a motorcycle 9, dying 10. As any of these events threaten, we become stressed, and you may have noticed that death scores quite highly. People try to alleviate this stressful fear of dying by trying to find out if there is life after death. Great comfort can be gained by allowing a medium to receive messages from the other side. We love to hear tales of near-death experiences with tunnels of light and meeting old friends and relatives.

When I meet those who have experienced 'career bereavement', whether they have jumped or were pushed, they are undergoing a life change that some compare to death, and their questions are the same. Is there life after the event?

I have lived as a business guerrilla for nearly all my working life, and not only is there an afterlife, but it is a great life of milk and honey. So, let me be the voice from the other side – your spirit guide.

STRAP ON YOUR BEANS AND FOLLOW ME

When we were all terrified by the prospect of a nuclear holocaust, someone said that when the end of the world comes, we need nothing but a rucksack full of beans, a bicycle and a pump-action shotgun. For the moment, the nuclear holocaust threat has receded a bit, and the Armageddon we are faced with is a commercial one. Maybe the fallout has struck you, or perhaps you have had enough time in the trenches. If that is the case, what is the commercial equivalent of the bike, the beans and the shotgun? Harry Harrison, the great science-fiction writer, created a character based, he said, on the rats that, throughout history, have survived well and even thrived in the wainscot of society. But now, he said, we have a stainless steel society, so we need to be 'Stainless Steel Rats'. Up against the superpowers from the USA to the USSR, the raggedy shadow with a powerful weapon on his back has taken them on and won. From the Vietcong to the Mucha Haden, the ultimate victor has been the guerrilla. This can work in business. Travel light, live off the land and strike from the shadows. You have a great future assured. Victory will be yours, if only you can learn to GO IT ALONE!

LOOK BEFORE YOU LEAP

– THE PHILOSOPHY BIT

1

I want to take you by the hand and lead you up the rocky but golden pathway to success, but it might be a good idea to clear the air a bit, and decide just what success is.

I hope that, whichever runway you choose to take off from, you will reach the cruising altitude of your choice and arrive at the destination that you want to, because that is the major benefit of self-employment. It sets you truly free. But to start with, freedom can be a difficult thing to deal with and is really quite frightening.

There is a very cruel training trick used on elephants which consists of taking a young elephant and chaining it securely to a stake. The creature is then beaten and shouted at in an attempt to drive it from the stake. No matter how hard the terrified animal tries, it cannot break the massive chain that holds it. In fact, it would hurt itself trying. After days of doing this, the animal learns to stop trying to escape its tormentors because the pain they can inflict is less than that of its shackles. From that day onwards, people are amazed to see the elephant trainer push a single wooden peg into the ground and loosely wind a light piece of chain around it, and the animal's foot. Everyone can see that, if it wanted to, the elephant could just walk off with virtually no impediment. What secures it is not the chain, but its own fearful memories.

Whatever has led you to decide to do your own thing – whether you were pushed or whether you jumped, if your chain was cut off or if you snapped it yourself – you are now free. This

freedom is not only fun, a thing of the purest joy if handled correctly, but it is also the vital component that makes the self-employed succeed against their employed competition. It is what makes the GUERRILLA able to defeat the regimented troops every time. The problem is that the average squaddy, when separated from his platoon, is soon a victim of the jungle, and would not consider firing his weapon unless ordered to do so. One of the keys to this fellow's survival is a bit of jungle training and the belief that he is free to make decisions. After a lifetime of discipline and order, we can find ourselves – like the elephant and the lost trooper – cut loose and unable to cope.

I know of a large insurance company where pay and conditions are apparently excellent, but once in at 9 a.m., you are not allowed out until 5 p.m., not even to buy a newspaper or whatever. They have been 'downsizing' recently, and their employees are bereft. Some feel that they have lost the structure that held their life together. I suppose being whacked with the ringmaster's stick to stand on an upturned tub on your hindlegs, or standing to attention by your bed at 6 a.m., can eventually become reassuring, but it is not really my bag, and it shouldn't be yours. This freedom to act as you want is not just a pleasure but the vital ingredient to your success. It just doesn't feel like that at the moment. Perhaps you need a bit of jungle training and permission to shoot at whomever or whatever you wish, metaphorically speaking, of course.

I am not necessarily talking about the sort of 'I want to be free, men' hippy-type freedom, but a type of business freedom which allows you to be frighteningly efficient. Having said that, there is nothing wrong with the hippy bit either – perhaps it's time you had a bit of freedom 'man'. Perhaps it would be cool to leave the work until Sunday so you can crawl around on your hands and knees being a tiger at your kid's birthday party on Tuesday. We will do our Zen mind and spirit bit later, but I must say that one of my biggest hurdles is getting over the freed wage-

slave guilt at having a bit of time to just enjoy living. Anyway, I digress, it is back to efficiency for a bit.

A case that amused me and illustrates the point perfectly concerns a monster-sized public utility that was downsizing, rationalizing, restructuring, becoming a flat organization and, not to put too fine a point on it, laying people off. The euphemistically titled 'human resources' department, which rarely appeared to be either human or resourceful, decided that to salve the guilt pangs of the powers that be, it would be a ripping wheeze to hold an outplacement training programme. They managed to find a wispy, ethereal American woman who could talk on getting in touch with your anger and disappointment in a high-pitched squeaky way. I am sure it was most valuable but I feel that the obligatory diet of non-aggressive rice and pulses was pushing things a bit too far. They also found bluff types who talked about investing one's redundancy lump sum for a happy early retirement. This unfortunately seemed to involve wearing a blazer with a badge on it, finding bowls and caravanning fun, and being an expert on the discomfort of haemorrhoids. To the company's horror, there was a small group of wild anarchists who felt that it might be nice to be self-employed or start their own business.

You notice I separate business and self-employment. The reason for this is that they are different. Sure, there are self-employed business people, but you don't have to have a business to be self-employed. In fact, you are just about to get me on to one of my favourite hobbyhorses, because I can't get the outside world to appreciate this, particularly the banks who have this 'If you don't work for somebody, then you are a business' mindset which, as we will discover, causes all sorts of problems – some for the world at large and some inside our own heads. I am aiming this message at everybody, from those in total despair as in 'If no one else will employ me I suppose I shall have to employ myself', to the self-assured 'I can do a better job of employing my talents

than anyone else'. I find that I tend to read books like this one in the bathroom or when I am about to nod off, so it's unlikely that you will gallop through page after page. So for now, have a think until the next time you pick up this book about the sort of employment you will be offering yourself. We will talk together on that subject later.

Back to the outplacement course. As I mentioned in the Introduction, I can cope with the Hell's Angels, the rogues, the footloose and the fancy free – they have all been living off the land and know the game. It's another thing to be faced with a room full of suits, sharpened pencils and bewildered expressions of badly bruised egos, or, to quote the words of an old pop song, 'the lost and the lonely'.

The first step for me is to find out what everyone is capable of and then what they want to do. The flash term in the land of management speak is a 'skills audit', so I won't use it. Most of the gathered group believe that, as they have degrees and training in high-energy nuclear physics, satellite navigation techniques or supersonic weapons ballistics, that it would be some kind of waste not to continue using these skills. I concur most strongly with these views and, as you will see, I am a great fan of a discipline called asset marketing. Sure, one of your marketable assets is your skills, training and experience, but if that happens to be high-energy physics, probably the only market is the industry that you are just leaving, which kind of narrows the field. The result is that this group of the lost and the lonely tend either to offer themselves as consultants to their ex-industries, or have sadly unrealistic plans for business idylls that will reunite them with their drifting spouses and grow roses round the door of their country tea shop.

There are cheerful exceptions, of course, and I remember going from glum face to glum face to even glummer face until I encountered a chubby middle-aged character with a grin from ear to ear.

‘What are your skills?’ I asked.

‘I’m a doctor of thermodynamics,’ he replied.

‘Your plans?’ I yawned.

‘I’m opening a poodle parlour,’ he grinned smugly.

He had completely wrong-footed me, and when I had regained my composure, I asked where that idea had come from. It turned out that his passion was poodles, and the artistic clipping of said poodles, but all his life he had been told he could do better. His mum had mistaken his superb academic ability for a desire for an academic life, and subsequently his wife continued to tell him how fortunate he was to have such a respected position. Of course, a successful thermodynamicist doesn’t throw it all up and open a poodle parlour. He was trapped by his own intelligence and his family’s need for the status his job brought. The redundancy was a godsend; it presented his wife with a *fait accompli*, and him with the opportunity he needed. I met him later and am glad to say his dream had come true. The poodle business was a success, he was happy and his sceptical family were delighted to discover the cheery contented man who had once been the cheerless wage slave.

By the way, you may have noticed I described the poodle business as a success. Are you reading this book to find success for yourself? Do you know what it is? When I ask people about success, they have a frightening habit of drivelling on about palm-fringed shores and stretch limousines. But some time ago, when I had been self-employed for just a few years, things in my eyes weren’t so good. The bank statement used to arrive literally smouldering and accompanied by a distinct smell of sulphur. Every month was a battle to survive, and then I met a respected business colleague who introduced me to a companion as a successful business man. I got him on his own, and asked him where he had got the successful bit from.

'How long have you been in business, Geoff?' he asked me.

'About four years.'

'And you are still here. I call that successful.'

Maybe success could be as little as paying the bills, having a modest holiday once in a while and, most importantly of all, guaranteeing yourself employment for as long as you want it.

As we have already seen, people attending outplacement schemes generally follow the usual trend and try to offer their services as consultants. Sometimes a little too much downsizing takes place within a company, and a number of quite useful babies get discarded in the rationalized bath water. The company then finds it actually needs the expertise of some of the people it has let go. I ran an outplacement scheme for one company which experienced such a scenario. After the redundancies had been made, the managers walked into one of their four-acre open-plan offices, switched on the lights and found, to their horror, that as each neon tube flickered into life, it illuminated empty desk after empty desk. One of their vital industrial processes was going haywire and they had disposed of everyone who knew anything about it. At this point they approached one of my delegates to see if he wanted to launch his consulting business by doing some work for his old outfit. The deal they offered was half of his old work for half of his old salary as a fee. He asked me what he should do and I suggested that he should snatch their arm off – after all, a bird in the hand, and so on. He duly undertook half his old duties for which he billed the equivalent of half his old salary. This all may seem ideal, but there was a bit of a fly in the ointment, in fact, a whacking great monster bluebottle of a fly, and that was that he achieved all this in just one day a month. His now client went ballistic. They felt that somehow they had been had. Did this mean that their new consultant wasn't doing a thorough job, or worse, did it mean that for the last 25 years their faithful employee could have handled his job in a mere two days a

month? Whichever it was, they were well miffed and took our hero to task over it. The fact of the matter was that he had not been a consultant before and had quite surprised himself when the job had got done in such record time. He protested that he had worked hard all his working life, and that he had been just as diligent as he always was with his consultancy project. There are a number of strong lessons to be learned from this tale, some for the previous employer, some for the embryonic consultant, and some for us.

THE EMPLOYER'S LESSON

For the employer of consultants it must be accepted that there is a quite astonishing increase in efficiency. It is like one of those barmy perpetual motion machines that seem to conjure energy out of thin air, because the protagonists in this miracle don't have to be any more efficient to increase efficiency. In fact, in a business book I enjoyed reading recently (Tom Peters' *Getting to WOW*, I believe), a company discovered that when unusual, non-standard components were required by customers, up to 2,000 man-hours could be required to get the parts made and dispatched, and although blood-curdling, customer-terrifyingly high prices were charged, they still made a resounding loss. They decided this service should be cut, but then they discovered certain clients depended on it. The solution was to hand the whole thing over as a going concern to two spare employees who were free to wander where they wanted and charge what they like. The clients spoke to them direct, they put the bits in a Jiffy bag with a handwritten bill, and posted them off. The 2,000 hours were reduced to two hours. This is not a misprint. From order to dispatch in just two hours; they charged less and they made a huge profit.

Our consultant had discovered the same phenomenon by chance. He told us that, previously, when he needed disks for his