

Self-Made Me

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Why Being Self-employed Beats Everyday Employment Every Time

Geoff Burch



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FOR DAVID AND ARCHIE AND TO ALL THE BRAVE GO IT ALONERS WHOSE TENACITY HAS INSPIRED ME TO WRITE THIS BOOK

It is said that in life you can either be a great example or a terrible warning

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INTRODUCTION

A NEW WAY OF LIVING IN A CHANGING WORLD

Welcome aboard the good ship Freedom! Maybe you have joined this happy adventure as a willing passenger. Perhaps this cheery vessel has heaved-to, to rescue you from the lifeboat of redundancy while your previous employer sinks without trace. Or maybe you have been rescued, having being marooned on the dreary island of unemployment. For whatever reason you have decided – or been forced – to accompany us, you have just joined the finest and most fulfilling way to cruise through life.

ARE YOU PAID WHAT YOU ARE WORTH?

Following that little ramble, I am now going to have to use the word, or words, that make me cringe and those are 'selfemployment'. I desperately struggle to find a more suitable or politically correct alternative to the label that other people have decided to attach to those of us who work for ourselves. To make myself a bit clearer, let's take those phrases to bits and examine them. 'Self' – that's you or me; 'employed' – that's the job we have been given to earn our living. 'Work' – now there's an interesting word, and one that this book will look at a great deal, but for now, and without too much explanation, I suppose you could say 'work' is an activity that someone is prepared to pay you for. 'Ourself', of course, is you or me, which means that the revenue created by the 'work' belongs to you or me. Although that seems obvious, if you have a 'proper job' the revenue generated by your efforts will go to someone else, your employer. If you follow the advice and guidance in this book, you should be able to get paid what you are worth for your work whilst being self-employed. If your employer can get what you are worth for your work, it stands to reason that they will not give all the revenue to you – that is how they make a profit, by paying you less than you are worth.

PAID EMPLOYMENT - A NEW-FANGLED IDEA

Employment is a fairly new and short-lived idea that has probably had its day. You may feel that is a fairly outrageous comment, so let me explain.

If you go back a few hundred years, even the peasants were self-employed. The lord would give them free use of a piece of land and whatever profit the peasant made was tithed or shared with the lord by way of rent. While I am not suggesting a return to feudal agriculture, it is interesting to note that in mediaeval times no-one had invented the spine-chilling word, 'management'.

Stop here for a moment. Do you really want or need to be managed? Maybe as a 3- or a 15-year-old people would describe you as hard or easy to manage, but that was when your life was in other peoples' hands. However, now as a free adult, why on earth would you hand yourself over to be managed?

The feudal lord wasn't interested in managing anything. The peasants could get up when they wanted, plant what they wanted,

and work when they wanted. What the lord was interested in was outcomes not process. If after a bumper harvest you filled the lord's tithing barn with crops, he wouldn't walk around with a stopwatch and clipboard saying, "How did you achieve this? Did you comply with the correct procedures and processes?"

The other big feature of self-employment is the incredible level of efficiency that it produces. In a previous book (Go It Alone), I examined the best way of getting people from one place to another as fast as possible by bicycle. The first method to consider would be to take, say, one hundred people and try and construct a single cycle that all one hundred people could ride on. The problem is that as the bicycle gets bigger, its efficiency starts to fall – even a tandem, which only carries two people, can have its problems because there will always be accusations between the two partners about who pedals the hardest. As the number of people grows, it becomes even more difficult to find out who is actually pedalling - and to support the weight of one hundred people, the bike would have to be massively heavy and ungainly to the point where, as it takes on extra pedallers, its weight increases and exceeds their ability to pedal. So picture the scene: you have this huge monster of a machine with a hundred people on it - some who don't bother to pedal at all, some who have to pedal furiously just to support their own weight, and then you have the problem of steering such an ungainly beast. Because of its bulk, the process of steering has to become a full-time job, so the people who steer it feel that they don't have to pedal as well because steering and choosing the direction of the bike is a full-time occupation.

This is like the modern company where the board of directors believes that they have to do nothing but steer, and the people that do the pedalling, the workers, feel that their steerers or directors make bad decisions and don't really work very hard. The other problem, of course, is that if any wrong decisions are made in steering or choice of direction and there is a crash, all one hundred pedallers are equally doomed.

So what is the correct way to do it? The self-employed equivalent is to give everybody their own bicycle. In a bicycle race, a group of racing cyclists is referred to as the peloton where they race against each other in a very efficient and swift manner. The one hundred people in the race – or at least most of them – will arrive at their destination at an astonishingly high average speed. Sure, a few will crash, but even most of those can hop back on and get started again without the drama of a one hundred-person machine crashing.

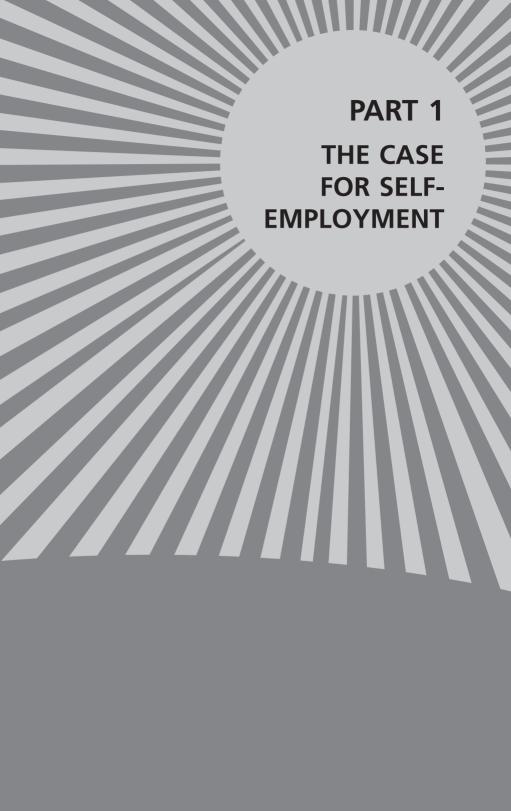
I thought about this analogy and have tried to tie it into the trouble and turmoil that we have seen in the world at the time of writing this book. I've realized that, rather than bicycles, perhaps a better way of looking at this would be to compare the world of work to a beehive. A beehive is not a business; the bees are not employees, they are a community. Each single bee leaves the hive and looks for wealth in the shape of pollen, which it carries back to the community. What would not work would be a four ton bee! There is no efficiency in size, it would be too big to bother with every little flower, it would be too big to cheerfully share its wealth and experience with other bees, and in truth it is probably too big to even get off the ground.

I am sure some employers will view this book as somewhat threatening and anti-social but in truth it is pro-social – all I am saying is that individuals who go and find their own value and wealth can contribute more efficiently and cheerfully to the community we live in.

I don't intend this book to be a book on how to start a 'business'. I have tried very hard to differentiate between the self-employed individual's way of making their way in the world, which I will refer to throughout this book as the 'enterprise', and the idea of starting a 'business', but I cannot avoid occasionally blurring the edges. It is possible that the self-employed individual may work with another, whether that is a partner or their spouse, or may occasionally employ another person in the shape of a trainee or an apprentice, but when does that become a business? I'm not sure

but I think that is up to the reader to decide. Bizarrely, banks have a very strange view of this and will describe you as a 'business' the moment that you are not employed by somebody else – in fact, I fought long and hard with banks to try and get them to realize that there are actually three species of money earners, not two, i.e. businesses, employed, and self-employed, and just because you are self-employed it doesn't mean you run a business.

So, to sum up, although this book may stray into other territories, its real objective is to examine how the individual can achieve their true worth and value – both financially and emotionally – by employing themselves. After all, whoever you are, you will never find a boss to employ you who will value and treasure you as much as you will for yourself. My qualification for writing this book is that I have been self-employed for most of my working life, and for a lot of that time I have been professionally involved in helping small enterprises to succeed. Therefore, this book is based on my observations and experiences along the way. I have made most of the mistakes that I have highlighted and have also enjoyed a lot of the victories and benefits that are mentioned, so please read on and enjoy!





... In which we talk of steam engines, elephants and the nature of work. We also find out what we are worth to other people and ourselves and the best way of achieving our true value. Even a potato can move up in the world.

A HAPPY OUTCOME

One of the big mindset changes that the newly self-employed must realize is that we sell outcomes and we deliver outcomes. It is outcomes that our customers want and it is what they pay us for. Later in this book I state, "Consultancy is doomed." This provocative statement is made because I encounter so many ex-employed people who become 'consultants' and believe that they can be involved in a process that just goes on and on with no outcome, just the way their old job used to do. Customers (by the way, here is another word that requires definition – a customer is someone who will pay us to do the work; work is the activity the customer is prepared to pay us to do) want outcomes, or at least the promise of outcomes.

You, "I can fix that for you."

The customer may say "How?" but their real interest is "How much?"

They want their house painted, their lunch prepared, or their sales increased – we will negotiate a price to achieve those outcomes. We will be selling products or outcomes. The whole point of this book is to help you receive the maximum amount for achieving those outcomes. That amount is your value and when you get it it's all yours to keep.

TIED TO THE BIG MACHINE

So how did this employment thing start and how did all but the lucky self-employed become wage slaves? It's probably all about steam engines. Before these beasts, every machine tended to be human powered; one human, one machine, be it treadle lathe, loom or spinning wheel. Therefore, it stands to reason that the machine was where the person was and the person was where the machine was . . . which could be anywhere. I could sit at my treadle loom watching the sun sinking over the ocean whilst contemplating life and wondering what to have for supper. My income would be in relation to my work (remember, what I get paid for doing). This is very important because this could relate to speed, skill, ambition, age or inclination. It would have been me working the machine, not the machine working me. With a young, growing family I would go like the clappers, and then as they grew up and I became older. Why knock myself out? Maybe just a couple of hours a week.

This is really fascinating. Do you choose your own hours, and do you get more money if you are more efficient, or if you are less efficient can you ask for less money for reduced effort? As you age, can you slow down a bit? No? Then you aren't self-employed.

This is where the steam engine rears its ugly head. Some bright spark invented the steam engine which, after a bit of development, became so powerful it could drive many thousands of machines in one place. But here is the rub: the machines needed to be in one place, the place where the steam engine was. The whole place was driven by heavy spinning shafts that thundered on day and night at a constant speed. The thousands of machines needed thousands of operators, but they then had to leave their crofts and cottages to be where the steam engine was because it couldn't move. They had to work at the pace of the machine because it didn't change, and everybody had to work at the same speed for the same time because the engine dictated that. They got the same money and it was called a wage. If your speed was below that of the machine's, due to your age or ability, you would be fired (or retired). If your ability exceeded the machine, the mind-numbing boredom would crush that right out of you until you aligned with the machine.

The cruelty of training

Of course it has all changed now – or has it? We have appraisals and training that fit us to the engine and as we age and slow we are prepared for the chop. We do our job and we are judged by the process, not the outcome. The weird thing is that the steam engine has gone, there are no heavy shafts connecting our machines of work – at most, there are wires that could stretch anywhere – so why do people want us to work in the same big box together as if there was still a mighty steam engine in the basement? More to the point, why do we want to work in the same big box, for the same money, at the same speed, breathing the same air as everyone else? You won't like the answer – fear.

In the bad old days of circuses, the training of elephants was very cruel. In a way, using the twisted logic of the time, it had to be. You have a three metre high, two ton creature, with a bit of a temper; in other words, bigger and stronger and more dangerous than you. The trick was to chain the poor creature down with huge heavy chains then beat it and terrify it so that it would fight to break the chains. The chains would hurt the elephant horribly and after some time it would no longer fight against them. What the

trainer could then do from that day forward would be to put the lightest of chains loosely over the elephant's foot and attach it to a weak wooden peg. It was fear that stopped the elephant from using its strength to beat its bond.

Make no mistake, you are a far more mighty, powerful and fearsome creature than your situation suggests. Really you have no bonds; you could get up right now and walk into a new free life where you could be self-employed, rich with money and rich with time. Why aren't you doing it? Fear of a chain that no longer exists. That chain used to be called job security. The truth is that the employers have betrayed us all. They claim to invest in their people, which I suppose they do, but what are they investing in, exactly? They would say 'improving your skills', but your skill to do what: to have a better life, to deal with your issues of contentment and hope? Or is it about pulling the red lever faster?

The betrayal

Back to the steam engines again. Possibly things could be speeded up and the operators could pull those old red levers faster or more accurately, so teach them or train them to do so. But because they are part of an engine-driven process, everyone has, within certain parameters, to move at the same speed. This training, then – is it investing in the people or investing in the engine that the people are part of? New cogwheels turn faster, new oil makes it run smoother, and training helps the people keep up.

This is where the betrayal comes in. The elephant trainer, however cruel, had entered into a lifelong bargain with the animal – it would be fed and sheltered for life. The red lever-puller had a job for life. In the western world, there were thousands upon thousands of mills making more or less the same products. If you didn't like the way the employer treated you, a glance at the evening newspaper would reveal pages and pages of adverts for red lever-pullers.

When I was young, our local biggest and most prestigious engineering company had its own apprentice school. You would

join on a wage and be sorted by intelligence and ability – the top few would go into technical, the next group would be skilled machinists, next semi-skilled machinists, and finally unskilled (but still trained). In a way, the company made a rod for its own back because its training was so highly valued that there were thousands of companies ready to employ their engineers. Because of this, they not only offered the best training but also the best pay and conditions. That company has long since moved production to the Far East and computerized the machines. A recent technical CEO said, "In the future, all companies will have just two employees, a man and a vicious dog. The man's job will be to feed the dog, and the dog's job is to stop the man messing with the computer!"

The companies that are left are training us to be useless. Let me explain. We get training in ever narrowing areas that our employer wants us to focus on. There are appraisals that we have to suffer (yes, suffer) every few months, to see if we come up to the mark and are fully compliant on every aspect of our attitudes and skill – and even appearance. Who wrote those specifications? Our employer – or worse, some idiot consultancy firm. Who does someone who meets those specifications become useful to? Our employer. Do those specifications make us useful elsewhere or, more importantly, to ourselves? I doubt it. Our ability to precisely decorate the company Christmas tree (a genuine example, I kid you not) makes little difference to our lives in the outside world. When the work moves East, where does that leave you?

Do it yourself

Imagine, because of the fall in popularity of animal acts, the circus moves on, leaving the unfortunate elephant behind still pegged down. We would watch the poor creature starve to death, held by a thin chain and a wooden peg. Why doesn't it just walk off and tuck into the rich crop in the field next door. Why don't you?

I have been self-employed for years, with periods of having 'proper' jobs where I have worked for someone else. Those were

always unhappy times that ended inevitably in a fairly spectacular fashion. This is probably because I have a screw loose but this loose screw will be at the heart of this book so I had better explain how it works.

Imagine you have a task which requires performing; painting your house or cooking your meal. You get quotes, you look at menus, sometimes you must look at the cost of the raw materials, the time involved, the expenses, and when you look at the figures you have been quoted, you say, "That is outrageous. It would be cheaper to do that myself". Can you just start to understand that is how I felt whenever I was in a job? "They get how much for what I do, sell, or make! I could do that myself and keep all the money." In other words, why are you making money for someone else?

Don't be a potato

Call me an old cynic, but I always give a wry smile when an employer says, "Our most valuable asset is our people" or, "We invest in our people". I could understand this if a potato chip company said, "Our most important asset is our potatoes. We invest in our potatoes." How do you think the potato feels? Valued? Appreciated? Safe? Do you think the potato aspires to be something greater or more fulfilling than a humble spud? I hope not, because free-thinking, self-motivated potatoes are the last thing the company requires. They may feel that a great investment is being made in them but that investment is only intended to make them better performing, consistent and reliable potatoes. Maybe a kilo of potatoes costs £1 and would, after processing into chips, be worth £10. Perhaps the other processes – the packaging and the marketing - cost £8, leaving £1 profit; therefore potato costs are equal to profit. If you could halve potato costs, it would add 50% to profits. Guess what? Chinese potatoes aren't £1 per kilo, they are 10p. Where does that leave our loyal potatoes? On the compost heap, that's where. Maybe other vegetables would command a premium price – parsnip chips becoming the trendy snack to be seen with. Perhaps our loyal hardworking potato could retrain to be a parsnip – I don't think so . . .

The poor potato has put so much effort into being a better potato, going on potato improvement courses to achieve the key performance indicators of perfect potatodom, change is no longer an option. Are you a potato? Or even worse, are you a carrot, a vegetable that under no circumstances fits into the plan of things? No matter how many training programmes, counselling sessions or appraisals, the poor carrot can never satisfy the company. How low that carrot must feel, how useless. As with a potato chip, a carrot is doomed, but that may not be the carrot's destiny. It may be an organic carrot that has found its own way to grow, valuing every knobbly bit and unexpected outcrop, still growing and full of flavour. Not a failure, but completely and utterly in the wrong job.

UGLY DUCKLING

The story of the Ugly Duckling has always fascinated me. It seems to suggest that whilst ugly and rejected by the other ducks, one day you will wake up and become a beautiful accepted member of the group, but the truth is that didn't happen. The ugly duckling, although always wanting to be accepted as a duck, woke up and found he was something entirely different – he was a swan. He had to find happiness by leaving his duck aspirations behind and becoming a successful swan. He did find pride and happiness, but he never ever became a duck and the ducks that he left behind probably hated and feared him.