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# SELF-EMPLOYMENT

Be your own boss...



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*“Success is not the key to happiness. Happiness is the key to success. If you love what you are doing, you will be successful”.*

Albert Schweitzer



## What is self-employment?

When you start working for yourself or start up your own business you are generally classed as self-employed.

Self-employment can differ from being employed. You become responsible for registering your business with Her Majesty's Revenue and Customs (HMRC) and informing them of your businesses sales and your businesses expenses. You are responsible for paying your own tax and National Insurance.

You don't have to register with the HMRC until you actually start trading your business.

There are a number of different ways you can trade your business, the main types being:

**1. Sole Trader; 2. Ltd Company; 3. Partnership.**



## Advantages vs disadvantages of self-employment

### Advantages

- Being your own boss;
- You have the potential to earn more money and set your prices;
- More choices; such as home-working and decision making;
- More flexibility and control; this can be very useful (especially if you have children / commitments); and
- You can unleash your full potential and entrepreneurial talents.

### Disadvantages

- Your income is not guaranteed;
- You may have to work a lot more hours and not always get paid for the work you do;
- When you take a holiday or take personal time out e.g. are sick or go to the dentist / doctor, or during seasonal holidays (Bank holidays and Christmas), you will not get paid;
- You will be responsible for marketing your business and getting new work and customers, as well as providing quotes, estimates and invoicing to ensure that your customers pay you on time;
- You will be responsible for book keeping, administration and record keeping and paying your own tax and National Insurance; and
- You may find that you have to take work home with you which could affect your home life / work balance.

## The HMRC and your responsibilities

When you start trading your business, you will need to register with the HMRC to inform them that you have become self-employed.

- Register online at [www.gov.uk/register-for-self-assessment/self-employed](http://www.gov.uk/register-for-self-assessment/self-employed).
- Be aware of the financial tax year dates.
- Calculate and pay Income Tax and National Insurance (self-assessment).
- Financial planning of the business.
- Basic bookkeeping and record keeping (keeping all business sales and purchase invoices/receipts, bank statements).

## Self-employment and your benefits

When you become self-employed, you will need to make sure that your business is able to provide you with enough money to cover your personal outgoings.

When it comes to your benefits, you may wish to speak to your Jobcentre Plus (JCP) job coach as consideration will need to be given to the following:

- Housing and rent;
- Council tax; and
- Working Tax Credits.

## Considerations when running your business

- Insurance: Public Liability, Professional Indemnity, and using your vehicle for business use;
- Health and safety;
- Choosing and protecting your business name;
- Trademarking and copyright; and
- General Data Protection Regulation (GDPR).



*“I had regular calls with my adviser and his moral support was the main thing - the help was always there if I needed it. I could call anytime and use his expertise. He was so supportive”.*

Angie

## Your next steps

- If you are interested in the Self-Employment Programme then please complete the 'My Business Idea' section below.
- Ask your Employment Coach to refer you for an Initial Assessment appointment on the Self-Employment Programme:
  - Your Employment coach will then call us and book you into the next available Initial Assessment and pass you the details; and
  - You will then meet with your Business Adviser and have an informal conversation about your business idea, and the suitability for the Self-Employment Programme.

## Considering your business idea

- What is your business idea and how will it work? e.g. selling a product or service, sell online or in a shop or direct to the customer?
- Will it provide enough income to cover your outgoings and more than you received on Universal Credit (UC)?
- Who are your typical customers? It should not be everyone! Try to be as targeted as possible. Consider where they are, age, gender, lifestyle. Who else is doing what you want to do? Look for some competitors and see how they operate.
- If all these questions can be answered, then the business has the potential to be viable and the participant could be referred for an Initial Assessment.

## My business idea

It's important to have a clear understanding of what exactly your business will do. Explain your business idea, with a detailed description of your business, in the form of an Elevator Pitch.

- Rather than providing a one-word answer, try to be as specific as you can to help us get an accurate understanding of the product(s) and/or service(s) you offer.
- While there is no specific word limit and your response will depend on the nature of your business, we recommend writing a short paragraph or two.
- For example, instead of simply writing "Hairdresser", a stronger response would be "I am a hairdresser providing a range of services including styling, cutting, colouring and blow drying to customers of all ages and genders living in Essex. I operate my business as a mobile hairdressing unit, where I drive to my customers' houses to deliver their treatment".





## Pre-trading courses

Our training is designed to help you when you are considering going self-employed. It will also help you plan your business and increase the chances of success in your new venture.

### Self-employment – is it right for you?

This initial session seeks to answer the question “is self-employment really for you?” by exploring the benefits and challenges of owning your own business and the financial knowledge needed when doing so. It will also help you make an informed decision as to whether this is the correct route for you to take.

### Business planning

Learn how to move your business idea into a business plan, identifying what the overall aim of the business is, the threats that could affect it, and the legal obligations that may be required. This will develop your understanding of how to structure and format a business plan.

### Marketing

You will leave this session with the knowledge of how to market your business based on the concept of market research and the understanding of what questions need to be asked when looking to promote. This session will touch on the financial implications of marketing, which will follow on in the next session.



### Financial planning

The final self-employment session focuses on understanding financial viability, profit and loss, VAT and national insurance and financial forecasts. The session also aims to introduce the concept of personal survival budgets and factoring that in when calculating profit. It will also leave the participants with an understanding of gross profit vs net profit, and the difference between them.

### Gig Economy

Specifically for those who are considering self-employment within the Gig Economy – a different type of ‘self-employment’ than that of a setting up your own business. It mainly consists of jobs or ‘gigs’ carried out by independent contractors/freelancers, usually on behalf of another company, rather than an employed worker (think Uber/Deliveroo). This workshop explores the types of jobs, roles and responsibilities within this type of self-employment, such as financial and tax obligations.

***We would recommend that sessions are attended in order, with the exception of the ‘Gig Economy’ workshop.***



## Trading courses

If you have become self-employed and started your own business these workshops, with a focus on business growth, will help you expand your customer base, therefore helping ensure the sustainability of your business.

### Social media marketing

This workshop focuses on what social media is and how it can aid small businesses. We also discuss what to consider when choosing which platforms to use and methods to help you reach your audience. We also touch upon the importance of measuring your social media engagement which will help you market your business effectively.

### Understanding the selling process

How to sell your business, product or service to potential customers – from introducing yourself and building a rapport, through to objection handling and dealing with rejection. We also look at ways to recognise the difference between selling features and benefits, explore methods of closing deals and types of questioning techniques.

### Marketing for business growth

Following on from the pre-trading marketing workshop, this session focuses on business growth once you have started trading. We explore the importance of understanding your customers, so you can use that information to gain new customers and maintain customer loyalty. We will also look at methods of promotion (both online and offline) and the importance of analysing customer engagement.



### Record keeping

It is essential to maintain financial records and track your income and outgoings. We demonstrate how to use an income and expenditure sheet to help log your finances, and explore why this is important to your business. We also discuss which records you should keep and consider some of the available software that can assist with the process of maintaining your business finances.

### Selling platforms

If, as part of your business model, you are considering using a selling platform such as Amazon or eBay, then this workshop will provide a useful insight into some of the options available to you. We explore the four most popular selling platforms, the benefits of using them, how to set one up, and the responsibilities and requirements when using this option as part of your business.

*“Pluss worked hand-in-hand with me for seven months to move towards my dream... My coach is really inspiring and has so much experience to share”.*

Jo





PROMOTION

HMRC

PLAN

SOCIAL

RESILIENCE

INSURANCE

ADVERTISING

PROFIT

GROWTH



NATIONAL

SUPPORT

CASHFLOW

FLEXIBILITY

SERVICES

# SELF-EMPLOYED

PEOPLE

FORECAST

BOSS

BUSINESS

PRODUCTS

BANKING

INVOICE

MARKETING



INTERNET

MEDIA

SELLING

TAX

FINANCE

SALES