

THE SKILLS YOU NEED GUIDE TO JOBS & CAREERS

SELF-EMPLOYMENT AND RUNNING YOUR OWN BUSINESS



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Skills You Need

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ISBN: 978-1-911084-54-9

Published by Skills You Need Ltd

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This version was published in January 2025.

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Introduction

Entrepreneurs, freelancers and other self-employed people work for themselves.

They own or run their own business, which can be anything from a simple one-person business providing services such as dog-walking, decorating, or professional services, right up to a company established to produce and market a new piece of technology developed by the owner.

Entrepreneurs and self-employed people are likely to share some common traits and skills. For example, they are often very self-disciplined, and happy to turn their hands to a wide range of tasks. Although they may well have leadership and management skills, they also have other skills that may be less important for those working in large organisations under contracts of employment.

“If you can dream it, you can do it.”

Walt Disney

This eBook addresses the skills needed for leadership and management. Unlike our other eBooks on this subject, however, it focuses on the skills required to lead and manage your own business, whether that business is just you providing services, a national or international franchise, or a business idea that you wish to bring to market. It is part of the series of eBooks on jobs and career management and, in particular, complements the second book in this series on getting a job. Where that book focuses on the skills needed for employment, this focuses on self-employment.

The book is designed primarily for those thinking about or just starting out in self-employment. Established entrepreneurs may also find some useful ideas, but they are likely to get less out of the book as a whole since much of the content relates to setting up a business.

Defining the Terms

Before going any further, it is probably helpful to have a clear understanding of what we mean by the terms ‘self-employed’, ‘freelance’ (or ‘freelancer’), and ‘entrepreneur’.



entrepreneur, *n.*, one who undertakes an enterprise, esp. a commercial one, often at personal financial risk.

Chambers English Dictionary, 1988 edition.

At the heart of entrepreneurship, then, is setting up an enterprise or business. The word itself comes from the French for enterprise.



freelance, *n.*, anyone who works for himself [sic], employed or paid by others only for particular, usually short-term, assignments (also freelancer).

Chambers English Dictionary, 1988 edition.

The word ‘freelance’ actually dates back to the Crusades, when ‘unattached’ knights and men-at-arms wandered Europe, hiring themselves out as mercenary soldiers to anyone who could afford to pay for their services. A freelance or freelancer, therefore, is self-employed for tax purposes, and takes short-term or temporary assignments and projects.

The crucial distinction between entrepreneurs and freelancers is that entrepreneurs are building up a business and will therefore probably have employees—if not now, then later. Freelancers have no employees and tend to work alone.

They may sometimes work together with another freelancer, for example, to offer a more complete ‘package’ to a client, but usually both will be self-employed, and the arrangement will be loose and temporary. They may even ask to be paid separately, and at different rates.



self-employed, *n.*, working independently in one's own business

Chambers English Dictionary, 1988 edition.

Being self-employed therefore encompasses both entrepreneurship and freelancing.

It is the term used by tax offices around the world for someone who has no employer other than themselves. According to the UK's HM Revenue and Customs, for example, self-employed people “*run their business for themselves and take responsibility for its success or failure*”.



Understanding Entrepreneurship

How do you know if entrepreneurship or self-employment are for you?

The first step is to understand the concept of entrepreneurship. Chapter 2, on entrepreneurship, will help with this.

It considers questions such as:

- What do entrepreneurs do next?
- At what point do you stop being an entrepreneur and become a 'captain of industry'?
- How do entrepreneurs define success? (clue: it is different for everyone)

Before deciding that entrepreneurship is for you, you may want to read the section on entrepreneurial skills. This sets out some of the skills required to manage and succeed as an entrepreneur, which in turn gives you some idea of the sorts of things that you will have to do and, therefore, whether you really want to set up your own business.

Starting A Business

Once you have decided that you want to run your own business, there are a number of things to consider. Many businesses fail in the first few years, and planning and preparation are crucial. The first step is to decide on your business idea: what do you want to do?

Once you have decided on your business idea, there are a number of different aspects to setting up a business. These include:

- **Financial issues**, such as how to obtain money, and the balance between debt and equity (borrowing or investment) that you want in your business;
- **Legal issues**, such as registering the name of your company, the precise legal form you adopt, and likely changes over time, and any permits or licences;
- **Finding a suitable location**, including the decision on whether to work from home—and whether this is possible within your home insurance and/or rental agreement.
- **Recruiting and managing staff, and getting good advice** about running your business more generally; and
- **Promoting your business**, which may require you to develop your marketing skills.

Chapter 3 discusses and explains these issues in more detail.

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