

**A Report On The Benefits
of
Self Employment & Entrepreneurship**

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1. Findings

1.1 What is entrepreneurship

Entrepreneurship is about seizing new opportunities and taking risks which is why it is so vital to the economy. This is what makes being an entrepreneur such an exciting career choice.

1.2 Support services available to the entrepreneur

Scottish Enterprise, Business Gateway, Banks and Independent consultants are the main providers of support to entrepreneurs in Scotland.

Business Gateway offer many free services to new business start-ups, young people and particularly female entrepreneurs have access to the most help when starting a new business.

Funding is one of the major considerations when considering starting a new business.

The Sole Trader generally relies mainly on personal finance. Banks are the most obvious source of finance. Most will have a small business advisor to approach for loans or overdraft facilities.

Before they lend the majority of financial institutions will want to see a detailed business plan as evidence of the business's potential.

Business Gateway, Shell Livewire and PYSBT will advise and where necessary offer assistance business start-ups with potential. There are a wide range of services available ranging from one to one advice, grant funding through to training.

The level of support is usually determined by the businesses growth potential, its likelihood of employing people and its sector. These services are available once a robust Business Plan has been drawn up.

1.3 The contribution to the local economy of entrepreneurial activity

Small businesses and entrepreneurs play a vital role in the economy, they provide new ideas, products, services, jobs and tend to be early adopters of new technologies.

Most UK businesses are very small. Two thirds are owned and run by one person. Nearly 90% employ fewer than 6 people. They are also an

important source of employment. Just over 2.5 million UK workers are self employed: 1 in 8 of all workers.

Typically a small business is owner managed, delivers products or services, serves local markets, and has a small share of the market. The small business tends to have few major rivals but twice as many minor rivals. Competition is typically regarded as strong.

The small business owner manager is usually Jack of all trades, this is a risk and can contribute to the business failing when a situation such as illness or leave from the business occurs. This also has a positive side, small businesses tend to be much more dynamic and are able to respond to market forces much more quickly.

Small businesses tend to stay small as the owner -manager is not willing to sacrifice a stake in the business to promote its growth. Small businesses are happy to grow their businesses as long as an organisation such as Scottish Enterprise and other economic development partners bear the risk.

Most importantly today's small business sector continues to create many of the new ideas and innovations that future generations will take for granted.

2. Conclusions

The independence of working without a boss, the flexibility of self-determining working hours and the financial reward of deciding your own salary is enough to entice almost anyone to consider becoming a business owner.

The benefits of being an entrepreneur are:

- You are your own boss and have control over your future
- Choices (e.g., you set your hours, you can choose your employees, etc.) - There are more opportunities for you to make decisions.
- Opportunities to fully utilise your talents, skills, knowledge, and creativity
- Financial rewards (e.g., profit, income, and tax advantages)
- Job security (You create your own employment.)
- Variety in your work routine
- Self-satisfaction, personal achievement, and recognition
- Independence Freedom
- Potential financial success
- Have control of future
- Satisfaction of accomplishing something
- Helping people

- It is fun and rewarding
- Finding an idea/doing something you love
- Being passionate about a cause/mission

Many successful entrepreneurs didn't enjoy their jobs and dreaded going to work. The autonomy that self employment and being your own boss gives is a powerful motivator when it comes to starting your own business.

Being paid for something you enjoy doing as well as doing it for your own business makes all the hard work worthwhile.

The benefits of having free time when you want it, flexibility and the potential to be financially successful are also major influencing factors.

5. **Recommendations**

In order to succeed in business the entrepreneur needs to think about what they are trying to achieve. Just as the reasons for starting the business will be very personal, the definition of success will be unique to the individual.

Once there is an understanding as to why the entrepreneur wants to start a business and what they want to achieve, the motivation and direction to keep going takeover.

People often put off starting in business because they are not sure what's involved or because they lack confidence in their own abilities.

When thinking about starting a business, it is vital to take a realistic, yet positive look at the type of skills, personality, attitude, outlook and the way in which work is approached

This helps the entrepreneur to understand themselves and the many relevant skills necessary when approaching a new business venture.

The straight answer to the question "Do you have what it takes?" should almost certainly yes.

When contemplating a new business venture it is important that the entrepreneur considers how this will impact on themselves and their families.

The entrepreneur will be in a much stronger position if they have thought through the benefits and challenges on a daily basis both in the start-up stages and beyond.

First thoughts on a business idea can reach far and wide. The business planning process will help to refine the idea into a working business.

It is vitally important that the business idea is viable. If the idea isn't viable it should be abandoned or changed in some way so that it will work. Market Research and financial planning will assist to establish whether or not the business idea is viable.

To have a good idea for a business, you should plan to supply something that people or businesses will want, and that customers will want to pay for at a level that will allow a profit to be made.

The entrepreneur must be able to "sell" the concept and his business plan. This enthusiasm is difficult to build unless the individual has a clear sense of ownership of his idea.

Businesses rarely achieve their planned outcomes. Entrepreneurs must be able to handle changes in the external and internal environment and take the appropriate action as quickly as possible.

A business plan helps in improving the ability of the potential entrepreneur to handle problems as they develop – but it needs to be supported by other actions.

7 Sources and Acknowledgments

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