

# Why Should I Set Up My Own Business?

Setting up your own business can be **daunting** at first but can be a hugely **rewarding** venture. There are many **advantages** and risks to becoming self-employed, which are important to understand before making the leap. A good **business idea** is just the start of your self-employment journey; you need to ensure you have identified a **gap in the market** and you have the right **skills** and **qualities** to make the business a **success**.

Whether you work in education, catering or horticulture, self-employment is **possible** and can be very **fulfilling**. Working for yourself is not for everyone, but this factsheet aims to give an overview of self-employment, so you can decide what's best for your future.

## The rise of UK self-employment



Overall, since the millennium, self-employment in the UK has increased. The number of self-employed people increased from 12% of the workforce in 2001, to 15% in 2017. Working for yourself is thought to have flourished due to the rise of WIFI, video calling and cloud sharing services. You could say that it has never been easier to work for yourself!

It has become more popular across all regions and age groups, particularly amongst the over 65s and 16-24s. The most popular sectors of self-employment are hairdressing, domestic cleaning and shop keeping.

Source: [ONS](#), 2018.

## Reasons to become self-employed



While the experience of being self-employed will be different for everyone, overall benefits are widely considered to include the following:

### Be your own boss

- Control over the journey of the business to follow your passion
- Support what's important to you in terms of business ethics and choice of suppliers/customers

### Work/life balance

- Set your own schedule around family/caring responsibilities
- Freedom to take exercise and socialise when you choose

### Flexibility

- Work wherever and whenever you want
- Choose your own salary

### Save money

- Less rush hour travel
- No more uniform/meal deal lunches

### Dynamic work

- Continuously adapting to different projects and clients
- Creativity is needed to expand your business

### No office drama

- No distractions
- No difficult co-worker relationships

## Downsides of being self-employed



Not everyone will experience all of the disadvantages below in their self-employment journey, but it is important to consider them when weighing up whether to work for yourself or for someone else.

### Lack of security

- No sick pay/holiday pay
- Unpredictable income

### Isolating

- No co-worker motivation and social atmosphere
- Difficult to focus

### Increased stress

- More responsibilities and paperwork
- Lack of support/help immediately available

### Potentially long working hours

- Business commitments can make more irregular working hours
- Difficult to switch off

### Starting from nothing

- Can be daunting and frustrating as you try to establish the business
- Need for start-up capital

## Qualities needed to become self-employed



Self-employed people must have a range of competencies, including: values aligned with their business, 'soft' business skills (networking/communication), functional business skills (marketing/finance) and knowledge relevant to their field. Useful personal qualities include:

<p><b>Determination</b> You must always keep in mind the reason why you started your business</p>	<p><b>Drive</b> You must be motivated by success in your field</p>	<p><b>Resilience</b> It can take a few attempts to succeed when you are starting out</p>
<p><b>Adaptability</b> Business can surprise you - you must be able to apply your skills to a variety of situations</p>	<p><b>Creativity</b> Imagination is needed to expand the business and overcome obstacles</p>	<p><b>Self-motivation</b> You won't have co-workers or managers to motivate you</p>
<p><b>Time management</b> You will be in charge of your schedule and have to juggle priorities</p>	<p><b>Passion</b> This will help you to stay motivated and 'sell' your business to clients</p>	<p><b>Initiative</b> You need to be a self-starter and seize opportunities to develop the business</p>

## Self-employment vs employment

Self-employment	Employment
Independence	Safety net
Flexibility	Regular income
More control	Regular working hours
Dynamic work	Less paperwork
Work is more values aligned	Sociable
Choose who you work with	Separate work and home life

 **Where to go for further help:**

- Association of Independent Professionals and the Self-Employed  
<https://www.ipse.co.uk>
- Entrepreneur Handbook <https://entrepreneurhandbook.co.uk>
- Government website – set up a business <https://www.gov.uk/set-up-business>
- Princes' Trust – helping young people start up in business  
<https://www.princes-trust.org.uk>
- SEE Ahead <https://seeahead.co.uk>
- Start-up Donut <https://www.startupdonut.co.uk>
- National Enterprise Network – representing Local Enterprise Agencies in England <https://www.nationalenterprisenetwork.org>