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THE SELF EMPLOYMENT SERIES

10. common problems that new business owners face

1. knowing which expenses to put through -
equipment, stationery, stock, marketing, advertising, research, travel, services (accounting and legal) are all deductable expenses, meaning they can be deducted from your income, prior to paying tax.
non deductable include entertainment and uniform (unless safety specific).

a portion of your rent and bills is deductable, as long as you work out an accurate calculation. example:

	cost per month	business expense		
rent	£800	£200		based on 1 room, used on a full time basis, solely for business purposes.
electric	£40	£20		based on a lot of work related equipment being used on a full time basis.
internet	£40	£10		the majority of the internet is used for leisure purposes but the business still relies on it for certain activities.
heating	£30	£20		during the winter months, the heating is used during the day on weekdays while I work and rarely at weekends.

2. running out of money -
remember to save not only your start up costs, but your living expenses for ideally 6 months if you want a very healthy buffer!

3. not having contracts in place -
confirm the cost, deadline, responsibilities of each party and any other important details IN WRITING with each customer, supplier and collaborator.
ideally have official contracts written for you as soon as expenses allow or grab some help/advice for a law student or wise friend.

4. not paying for professional branding -
I would recommend paying for this from the get go so you can go out into the world knowing your business and your brand and being able to successfully convey this to your customers.
remember, it's not as easy as learning the design programs yourself, it's about having a good eye for design and detail, as well as being able to successfully create a visual version of what your business is all about.

5. unhealthy work/life balance -
starting a biz is super exciting and you'll probably look forward to mondays and sometimes work on a saturday evening but remember not to overdo it and burn out. you need to be at your best; taking time out is important for your health AND your business.

6. finding paid work -
it can be a scary prospect before gaining your first client so here are some tips to help:
- build a network around you (start whilst still in a job)
- schedule some clients for the near future whilst still in a job
- know your customer and have a good idea of how to reach them
- utilise free promotional tools such as social media
- collaborate with other local businesses
- create 'mock' work similar to what you'd like to be paid for
- make sure you spend your marketing budget wisely and using the right outlets to maximise reach