



CHAPTER 1

IT'S ALL ABOUT YOU

... In which we talk of steam engines, elephants and the nature of work. We also find out what we are worth to other people and ourselves and the best way of achieving our true value. Even a potato can move up in the world.

A HAPPY OUTCOME

One of the big mindset changes that the newly self-employed must realize is that we sell outcomes and we deliver outcomes. It is outcomes that our customers want and it is what they pay us for. Later in this book I state, “Consultancy is doomed.” This provocative statement is made because I encounter so many ex-employed people who become ‘consultants’ and believe that they can be involved in a process that just goes on and on with no outcome, just the way their old job used to do. Customers (by the way, here is another word that requires definition – a customer is someone who will pay us to do the work; work is the activity the customer is prepared to pay us to do) want outcomes, or at least the promise of outcomes.

You, “I can fix that for you.”

The customer may say “How?” but their real interest is “How much?”

They want their house painted, their lunch prepared, or their sales increased – we will negotiate a price to achieve those outcomes. We will be selling products or outcomes. The whole point of this book is to help you receive the maximum amount for achieving those outcomes. That amount is your value and when you get it it’s all yours to keep.

TIED TO THE BIG MACHINE

So how did this employment thing start and how did all but the lucky self-employed become wage slaves? It’s probably all about steam engines. Before these beasts, every machine tended to be human powered; one human, one machine, be it treadle lathe, loom or spinning wheel. Therefore, it stands to reason that the machine was where the person was and the person was where the machine was . . . which could be anywhere. I could sit at my treadle loom watching the sun sinking over the ocean whilst contemplating life and wondering what to have for supper. My income would be in relation to my work (remember, what I get paid for doing). This is very important because this could relate to speed, skill, ambition, age or inclination. It would have been me working the machine, not the machine working me. With a young, growing family I would go like the clappers, and then as they grew up and I became older. Why knock myself out? Maybe just a couple of hours a week.

This is really fascinating. Do you choose your own hours, and do you get more money if you are more efficient, or if you are less efficient can you ask for less money for reduced effort? As you age, can you slow down a bit? No? Then you aren’t self-employed.

This is where the steam engine rears its ugly head. Some bright spark invented the steam engine which, after a bit of development,

became so powerful it could drive many thousands of machines in one place. But here is the rub: the machines needed to be in one place, the place where the steam engine was. The whole place was driven by heavy spinning shafts that thundered on day and night at a constant speed. The thousands of machines needed thousands of operators, but they then had to leave their crofts and cottages to be where the steam engine was because it couldn't move. They had to work at the pace of the machine because it didn't change, and everybody had to work at the same speed for the same time because the engine dictated that. They got the same money and it was called a wage. If your speed was below that of the machine's, due to your age or ability, you would be fired (or retired). If your ability exceeded the machine, the mind-numbing boredom would crush that right out of you until you aligned with the machine.

The cruelty of training

Of course it has all changed now – or has it? We have appraisals and training that fit us to the engine and as we age and slow we are prepared for the chop. We do our job and we are judged by the process, not the outcome. The weird thing is that the steam engine has gone, there are no heavy shafts connecting our machines of work – at most, there are wires that could stretch anywhere – so why do people want us to work in the same big box together as if there was still a mighty steam engine in the basement? More to the point, why do we want to work in the same big box, for the same money, at the same speed, breathing the same air as everyone else? You won't like the answer – fear.

In the bad old days of circuses, the training of elephants was very cruel. In a way, using the twisted logic of the time, it had to be. You have a three metre high, two ton creature, with a bit of a temper; in other words, bigger and stronger and more dangerous than you. The trick was to chain the poor creature down with huge heavy chains then beat it and terrify it so that it would fight to break the chains. The chains would hurt the elephant horribly and after some time it would no longer fight against them. What the

trainer could then do from that day forward would be to put the lightest of chains loosely over the elephant's foot and attach it to a weak wooden peg. It was fear that stopped the elephant from using its strength to beat its bond.

Make no mistake, you are a far more mighty, powerful and fearsome creature than your situation suggests. Really you have no bonds; you could get up right now and walk into a new free life where you could be self-employed, rich with money and rich with time. Why aren't you doing it? Fear of a chain that no longer exists. That chain used to be called job security. The truth is that the employers have betrayed us all. They claim to invest in their people, which I suppose they do, but what are they investing in, exactly? They would say 'improving your skills', but your skill to do what: to have a better life, to deal with your issues of contentment and hope? Or is it about pulling the red lever faster?

The betrayal

Back to the steam engines again. Possibly things could be speeded up and the operators could pull those old red levers faster or more accurately, so teach them or train them to do so. But because they are part of an engine-driven process, everyone has, within certain parameters, to move at the same speed. This training, then – is it investing in the people or investing in the engine that the people are part of? New cogwheels turn faster, new oil makes it run smoother, and training helps the people keep up.

This is where the betrayal comes in. The elephant trainer, however cruel, had entered into a lifelong bargain with the animal – it would be fed and sheltered for life. The red lever-puller had a job for life. In the western world, there were thousands upon thousands of mills making more or less the same products. If you didn't like the way the employer treated you, a glance at the evening newspaper would reveal pages and pages of adverts for red lever-pullers.

When I was young, our local biggest and most prestigious engineering company had its own apprentice school. You would

join on a wage and be sorted by intelligence and ability – the top few would go into technical, the next group would be skilled machinists, next semi-skilled machinists, and finally unskilled (but still trained). In a way, the company made a rod for its own back because its training was so highly valued that there were thousands of companies ready to employ their engineers. Because of this, they not only offered the best training but also the best pay and conditions. That company has long since moved production to the Far East and computerized the machines. A recent technical CEO said, “In the future, all companies will have just two employees, a man and a vicious dog. The man’s job will be to feed the dog, and the dog’s job is to stop the man messing with the computer!”

The companies that are left are training us to be useless. Let me explain. We get training in ever narrowing areas that our employer wants us to focus on. There are appraisals that we have to suffer (yes, suffer) every few months, to see if we come up to the mark and are fully compliant on every aspect of our attitudes and skill – and even appearance. Who wrote those specifications? Our employer – or worse, some idiot consultancy firm. Who does someone who meets those specifications become useful to? Our employer. Do those specifications make us useful elsewhere or, more importantly, to ourselves? I doubt it. Our ability to precisely decorate the company Christmas tree (a genuine example, I kid you not) makes little difference to our lives in the outside world. When the work moves East, where does that leave you?

Do it yourself

Imagine, because of the fall in popularity of animal acts, the circus moves on, leaving the unfortunate elephant behind still pegged down. We would watch the poor creature starve to death, held by a thin chain and a wooden peg. Why doesn’t it just walk off and tuck into the rich crop in the field next door. Why don’t you?

I have been self-employed for years, with periods of having ‘proper’ jobs where I have worked for someone else. Those were

always unhappy times that ended inevitably in a fairly spectacular fashion. This is probably because I have a screw loose but this loose screw will be at the heart of this book so I had better explain how it works.

Imagine you have a task which requires performing; painting your house or cooking your meal. You get quotes, you look at menus, sometimes you must look at the cost of the raw materials, the time involved, the expenses, and when you look at the figures you have been quoted, you say, “That is outrageous. It would be cheaper to do that myself”. Can you just start to understand that is how I felt whenever I was in a job? “They get how much for what I do, sell, or make! I could do that myself and keep all the money.” In other words, why are you making money for someone else?

Don't be a potato

Call me an old cynic, but I always give a wry smile when an employer says, “Our most valuable asset is our people” or, “We invest in our people”. I could understand this if a potato chip company said, “Our most important asset is our potatoes. We invest in our potatoes.” How do you think the potato feels? Valued? Appreciated? Safe? Do you think the potato aspires to be something greater or more fulfilling than a humble spud? I hope not, because free-thinking, self-motivated potatoes are the last thing the company requires. They may feel that a great investment is being made in them but that investment is only intended to make them better performing, consistent and reliable potatoes. Maybe a kilo of potatoes costs £1 and would, after processing into chips, be worth £10. Perhaps the other processes – the packaging and the marketing – cost £8, leaving £1 profit; therefore potato costs are equal to profit. If you could halve potato costs, it would add 50% to profits. Guess what? Chinese potatoes aren't £1 per kilo, they are 10p. Where does that leave our loyal potatoes? On the compost heap, that's where. Maybe other vegetables would command a premium

price – parsnip chips becoming the trendy snack to be seen with. Perhaps our loyal hardworking potato could retrain to be a parsnip – I don't think so . . .

The poor potato has put so much effort into being a better potato, going on potato improvement courses to achieve the key performance indicators of perfect potatodom, change is no longer an option. Are you a potato? Or even worse, are you a carrot, a vegetable that under no circumstances fits into the plan of things? No matter how many training programmes, counselling sessions or appraisals, the poor carrot can never satisfy the company. How low that carrot must feel, how useless. As with a potato chip, a carrot is doomed, but that may not be the carrot's destiny. It may be an organic carrot that has found its own way to grow, valuing every knobbly bit and unexpected outcrop, still growing and full of flavour. Not a failure, but completely and utterly in the wrong job.

UGLY DUCKLING

The story of the Ugly Duckling has always fascinated me. It seems to suggest that whilst ugly and rejected by the other ducks, one day you will wake up and become a beautiful accepted member of the group, but the truth is that didn't happen. The ugly duckling, although always wanting to be accepted as a duck, woke up and found he was something entirely different – he was a swan. He had to find happiness by leaving his duck aspirations behind and becoming a successful swan. He did find pride and happiness, but he never ever became a duck and the ducks that he left behind probably hated and feared him.

Just another brick in the wall

To drop the overstrained vegetable analogy for a bit, what I am trying to say is that modern employment just makes us cannon fodder for the machine. The global corporations may wring their hands with anguish as they lay off their people and move production to other countries, but the key word is 'global'. The people are just another raw material like iron, minerals or, yes, potatoes. Your job can be done cheaper elsewhere but then are you happy and fulfilled doing it anyway?

Speaking as a business 'guru', a very sinister trend amongst professional corporate consultants that I have noticed is the practice of process engineering. The simple concept is that, just like a conveyor making cakes or televisions which is a manufacturing process that could be improved, the human activity of an organization can also be streamlined and improved. This is your life they are messing with.

The employers would say that their training and subsequent appraisals and measurement improve competence. We should agree, of course, but competent to do what? These modern competencies are getting either more narrow or irrelevant. Corporate Christmas trees are hardly a saleable skill and are just an exercise in elephant whacking to demoralize you into submission. More of a threat to us is the specific skill that our employer requires. In this global world of mega corporations that we live in, our employer could, and often does at the drop of a hat, move production to another part of the world.

THE SPECIALIST TRAP

One of my roles as a 'jobbing business guru' is to help people get started in successful self-employment. The candidates often find themselves in my clutches quite unwillingly and unexpectedly through redundancy. The first conversation with them is about what they would like to do to earn money. We need to assess what

they would be comfortable and able to do. The fancy HR word for this is a skills audit and this book should help you to do one for yourself. This is often where the trouble starts.

Referring back to the apprentice school, once we had achieved the competencies required, we had broadly saleable skills. The operative word here is 'broadly'. A skilled machinist could accurately operate a lathe or a milling machine and could make bits for everything from ships to motorbikes (few of which we still manufacture here). The computer-controlled machining centres and the export of jobs has seen an end to that, and the skills required are becoming very specific.

Let's look at a typical candidate; he has been a design engineer and has been laid off. When asked, "What now?" the first straw to be grabbed at is "consultancy". Consultancy in what? The obvious answer would be in the skill that has been so carefully developed by their previous employer. In this hypothetical case they work for a jet engine manufacturer who has moved production to China. Our chum is a specialist in jet turbine blade profile design. Is he any good at it? Yep, he is absolutely brilliant, but who on earth wants a jet turbine blade profile designer? Well, his old employer used to but they don't now because that's why they laid him off. There is no one else who makes jet turbines unless he is prepared to move to another country.

Appraisals

What a rotten trick his employer has played. Just as with the elephant, they have beaten and cajoled him into the narrowest of performances.

Let's just examine that appraisal process, cruel and unnatural treatment that it is. If you have been lucky enough not to have had to suffer one, just look at a typical one. You will be set 'by agreement' certain targets and goals. I put 'by agreement' in quotes because try disagreeing and see what happens. The achievement of these goals and targets is the subject of the appraisal. The scoring is weird in these politically correct times, as one cannot be described

as rubbish or bolshie! The heart-piercing stiletto is far more subtle than that. They use words like ‘met’, ‘partially met’, ‘not met’ (as in objectives) or ‘exceeded’ if you’ve been good. ‘Not met’ is a punishment, make no mistake. Perhaps you are middle aged and middle ranking and you find yourself sitting with a fresh-faced, perky line manager from HR, who tells you piously that you have ‘not met’ your agreed objectives. Personally, I would rather be chained to a spike and be beaten with a ringmaster’s whip than suffer the humiliation of that. So you slink away hating yourself and determined to get better, or, as your bosses would wish, more competent. Every business wants competent people as opposed to incompetent people, but the competence you are bullied into may be of no use anywhere else. Your benevolent employer is making you useless.

FREE AT LAST

There is a great book on future trends for the world by Magnus Lindkvist where he states that competence causes resistance to change. Think about that for a minute. Do you have any musical ability? Do you play the piano? If you do, then the better your natural talent, probably the more you practise. As you become more competent, you are less likely to pick up a trombone. If you are like me and have completely cloth ears, you are likely to try every musical instrument until you acknowledge you can’t play any of them. Employers, whilst eager to make you competent at the task they picked out for you, also realize that you will be useless to them when they no longer need that process. So as the circus leaves town, you are left pegged out for the birds to peck at.

Lindkvist also says that we are born as individuals but die as clones. Employers need clones but you deserve to get back to being an individual. As this book helps you to become a successful individual, don’t expect to become popular with the establishment. Politicians and companies have a somewhat irrational fear of the

self-employed and use words like 'loose cannon' and 'unpredictable'. It is a foolish attitude really, because self-employed people can be so much more efficient, as what they sell are outcomes. The price is agreed and the job is done. Are you in a 'proper' job? When do you go home – when the job in hand is done, or at the company's stated going-home time? Do you work at your own pace or that of your colleagues? Can you get up at 3.00 a.m. if you are not sleeping and put the finishing touches to your current project so that you can enjoy breakfast in bed and a quiet read of the newspapers?

EFFICIENT

I have owned and run companies with many employees; I have been employed and now, as a lone self-employed 'guru', have determined never to employ anyone again. The pressures of my work demand help with my book keeping, so imagine I create a permanent position of book keeper. The chances of me having precisely 40 hours work of book keeping is infinitesimal so I must pay a modest annual wage and get someone a bit iffy who can stretch the work by just loping about being bored, to fit the week. In reality, what happens is that for just a few hours a week, a self-employed person, who has seven or eight other clients, does my work brilliantly and then clears off to the next job.

Keep it simple

Another huge efficiency of self-employment is the actual cost of work. I am involved with a charity that lends money to start-ups – the only loan criteria are that they must have been refused a loan by every possible lender. By virtue of this the applicants are people that society has truly written off – ex-long-term offenders, down and outs, and people with disabilities or mental health problems. Tom Peters was asked why small businesses succeed and his reply

was, “Cause they gotta”. So to quote him, when asked why such people become self-employed, the answer is, “Cause they gotta.” For obvious reasons, a lady who murdered her husband ten years ago and is now out of prison may have trouble finding a job.

One guy in particular had never had a job, abused a few substances, and was in effect a street beggar. He produced a child and decided it was time for a change. There was no chance of finding a job and who on earth would lend money to someone who looked and smelled the way he did. Well, we would! The skill audit was scary; there weren't any. Driving licence, none; telephone, none; home address, changeable. He wanted to do pressure-washing and would need a machine, a mobile phone, a bicycle and trailer to get the machine about, and some leaflets. The charity don't just lend the money and clear off, the applicant is mentored by volunteer gurus until they are on their feet. By the way, despite the supposedly high failure rate of small businesses, this charity rarely has any failures (the value of good advice and guidance, read on!) and gets virtually all its investment repaid. It was clear that because of this guy's lifestyle he had limitations, but by working within his scatological approach to life and without really breaking sweat, he could knock up a very steady and undemanding £100 per day over five days that took him above the national average wage. There was not much more potential for growth but he didn't want that – within the constraints of his fragile personality he was making more money than he had made in his life. More importantly, he was making enough to give him contentment and security – cheap to start and easy to maintain.

DOES HE NEED WATCHING?

Imagine for a moment that the guy in the story above was part of the cleaning team of a major corporation. Marketing would have to find the customers, Logistics would handle the bicycles, and how many of these mad-eyed individuals could one manager handle? As

many as ten? Is the manager on as little as 50 grand a year? If so, that takes £100 per week off every cleaner right away. Sometimes these ordinary tasks such as window cleaning, gardening, house cleaning, sandwich making, only work as one-person bands. Whether you want one of these simple, undemanding enterprises that just keep the wolf from the door and keeps you laid back and unstressed is a discussion for later, but the point to make at this juncture is just how efficient self-employment is. What does Management's head in is the lack of control they have over us wild woolly people. If you can keep all the money you earn rather than share it with the tottering bureaucracy you work for, you will be better off.

IT ALL ADDS UP

How can this be? Do you think I am working one of those clever mathematical tricks where it appears that you have eleven fingers or you can get a gallon into a pint? How can you get more by working alone? Well, of course I am hiding something from you and that is all the bits and bobs that surround the job, that aren't actually the job itself. Again we will be paying an awful price for attaining the competence that our employer wanted, because the more focused we become, the more useless we become in other areas. If we look at our pre-industrial treadle-loom operator, he understood a number of things the current wage slave does not understand. He understood where his work came from, he knew where his raw material came from, and he understood the cost of those raw materials and how to negotiate a better price. He understood the value and price of his work and how to negotiate that to the optimum? He knew where his product was sold and about alternative places if needs be. He knew how to maintain his machines and even how to manufacture new parts for it – he probably built the thing in the first place. If you are in paid employment, how much of the above do you know and can master? Before we

move away from the weaver, also understand how flexible he could be over time and money; if the price for his cloth was low, so what, that is what he got for it. If it was high, he would work day and night to fill the orders in order to stash a bit of cash for the tough times.

RIDING THE ROLLERCOASTER

Modern workers have got used to earning a regular wage that, over the years, creeps steadily upwards until the employer can no longer afford it and they get fired. In the current recession, things have been encouragingly different. People have realized that, instead of taking the random chop of redundancy as ten percent of the workforce is cut, if everyone takes a ten percent cut in wages, they can all stay. In some cases, this strategy has saved the company. However, that still has not achieved the same level as the self-employed mentality.

In my own case, when the dot com bubble was inflating nicely, there was lavish launch after lavish launch and what everyone wanted was a business guru as their keynote speaker. The fees were eye-watering and demand insatiable. One month, we had thirty jobs all over the world. My wife, who is my manager, partner, owner and harshest critic said, "What do you want from this?" I replied, "To still be alive at the end of the month." No one could keep that pace up for long and anyway the dot com bubble popped spectacularly and things returned to normal, which was about 50% of that mad pace. The self-employed can take a 50% drop in income and still be happy – or, in my case, delighted. Could you?

POINTS TO PONDER ON 'IT'S ALL ABOUT YOU'

Self-employment allows you to be paid what you are worth and it also gives you the opportunity, if correctly handled, to increase what you are worth.

- How will you manage – or can you manage yourself?
- Customers want outcomes not process. They want to know we *can* do it not *how* we do it.
- You do not need to feel tied to one machine, one place, or even one country to do your work.
- Is it only fear that stops you from being self-employed?
- Be careful if you feel that your training is an asset to you as it may only be valuable to your ex employer and may not represent all the opportunities you may have.
- If you do all the work, then you should keep all the money.
- Self-employment can set you free to enjoy being a square peg – just stay away from round holes.
- What you are qualified to do is not the same as what you want to do or, more importantly, what you need to do to make a living.
- Success will depend on broadening your skill base and flexibility.
- When you are in normal paid employment, your efforts are paying everyone else's wages as well, particularly your boss's!
- To survive, you need to budget for wild fluctuations in income.

