Case study 5: self-employment

Avanta

Helen, 57, had spent many years working in the public sector. After almost 18 months of unemployment, Helen was becoming increasingly frustrated at not being able to find a job and was occupying her time by indulging her passion for growing plants. During the summer months of 2010, she went to one or two local fairs to sell her plants.

Shortly after, her Jobcentre Plus Personal Adviser told her that she would either have to join a New Deal programme or, if she wanted to explore the possibility of self employment, she could be referred to Avanta (an organisation offering a range of innovative enterprise support programmes, working with Jobcentre Plus, Business Link and other partners to deliver support to people from wide and varied communities in the UK). Because her plant sales had gone well, she was interested in finding out how far this could take her and agreed to go to Avanta.

Alexis, a Senior Business Adviser at Avanta in New Barnet, showed Helen how to put together a business plan, maintain her own financial records and how to deal with tax. While developing her business plan they looked at practical issues such as if her garden was large enough to grow all the plants she needed and how she would transport them to market. Fortunately, Helen was in a position where she would be able to use family members' gardens. She also owned a car so she could transport her plants to sales outlets.

One thing that Helen had to come to terms with was a slight feeling of guilt that she would be making money from what had been, up to then, purely a hobby. She felt it couldn't be right. Another of her concerns was that her business would be seasonal and she wondered what she would do in the winter. Alexis, knowing that most people had more than one string to their bow, asked what else she liked doing. Helen said she enjoyed making jam and that she also liked needlework and sewing, and often finished what other people started.

Towards the end of 2010, she decided to diversify and extended her business activities: she did needlework and sewing to order and expanded into making jams, believing she was incurring no risk other than having to consume a lot of jam if it didn't sell. But she had no grounds for concern as she managed to sell all the jam she made at £2 a jar.

Helen's circle of friends, as well as her family, supported her in her new business. She mentioned that she was about to start doing some sewing and they spread the word and the orders started coming in. "I find that people are usually supportive of others starting their business, unless it is in competition with their own," Alexis said.

Just after Christmas 2010, after Helen has been out selling jams for the first time, she believed she had a sustainable business and accepted that it was fine to make money out of an activity she enjoyed.

To assess viability of her business, Helen and Alexis considered everything from how long it takes to produce one jar of jam, the cost involved, and how many fairs she would be able to attend.

As Helen's business is seasonal, she has to plan carefully. Although January and February are quiet, she uses these months to schedule her activities for the year: when she will start growing plants, when she needs to book a stall at fairs, and when she needs to have enough produce ready for peak selling periods.

In August 2011, some 12 months after she first came to Avanta, Helen felt that her business was established. She thoroughly enjoys making money from her hobbies and is able to draw on the project management skills she developed in her previous job.

As soon as Alexis met Helen, he realised Helen was proactive and had initiative. She had found out about the first two fairs she had attended via the internet. "Helen had what it takes. She only needed a little push to do it and some background knowledge about running her own business," he commented. "In most cases I find people able to run their own business only need a boost to their confidence."

September 2011

Key learning points

- Consider suggesting self employment as a viable route back to work for the long term unemployed
- Check whether hobbies and interests can form the basis of business

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