



E-Update: January 2011

This month Robert Bradley looks at developing a growing Business and the new VAT rates.

Dear All,

Developing a growing business

The difference between self-employment and owning a business is a key factor to consider and I will be rolling out a series of talks on this topic over the forthcoming year. If you are self employed there is a significant risk that you are not realising your true earning potential. Why? because your reward will be limited by the amount of work you can produce. A true business should have more than one fee earner to increase earning potential and a portfolio of services to reduce exposure to risk. If you feel trapped in a self-employment you can take solace from the fact that you are not alone. Many self employed individuals feel like they are in a job they can't escape from. I use a simple STEP model I use to illustrate the path from self-employment to business.

S is for Strategy, T is for test, E is for Evaluate and P is for Productise. Every business needs a sense of direction and having an agreed Strategy will give you that. A Business plan to which the business participators are all committed is also essential...it is your "route map" to test your actual performance against your strategy.

Evaluating the differences of actual performance against plan should enable you to look at your original assumptions about customer needs and requirements to see whether they are correct or not. If not then sales offerings should be looked at closely. Perhaps the most powerful growth strategy is being able to productise service offerings using the internet. If your service does not lend itself to this then you should at least develop fixed price service models. This will give customers and clients certainty over the price of your sales offering. Customers and clients want certainty and value, as well as personal service. They do say that the customer is king and never more so than in the current economic climate. For more on developing a growing business visit my blog [here](#).

VAT Update

The standard rate of VAT changed on 4 January 2011 from 17.05% to 20%. Issues arise regarding supplies that span this date. Guidance on how to deal with these is given [here](#). For guidance on the Flat Rate Scheme and the new rates visit [here](#) and for the new fuel rates which came into force on 1 December 2010 visit [here](#).

Regards,

Robert Bradley

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