

From Crew to Captain

Making the transition from working for
a big institution, to working for yourself

by David Mellor



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Introduction

The purpose of this book is to help people understand the transition from working for a big institution to working for themselves. I have made this journey, and helped many others do the same.

I want to put the odds in your favour, if you decide to follow suit, that your business venture brings you everything you wish, and that you prosper rather than merely survive. You will find inside a number of practical tips and hints, all garnered from the “University of Life”.

It will draw on a broad range of interview material from people who have made or are making this journey, and for whom success has looked very different. It will also draw on a wealth of anecdotal evidence, from my own experience and that of others.

Our journey will take us through 3 important phases:

1. **Reflecting** - what does it take to make this transition - and is it for you?

2. ***Planning*** - how do you go about preparing to launch your business?
3. ***Doing*** - what attributes are going to be really important in the early days post-launch?

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CHAPTER 1

Reflecting.....

If you have difficulty figuring out whether running your own business, however big or small, is for you, then you might find Edgar H Schein's "Career Anchors" helpful. "Career Anchors" is a self-assessment tool that helps you to manage your career choices. A quote from Schein will help to clarify this:

"There is overwhelming evidence that, in an increasingly complex and global world, individuals have to become more self-reliant. But you cannot be more self-reliant if you do not have a clear concept of what you are good at, what you value, and what motivates you. This self-image of competence, motives, and values is your "career anchor".

For further information go to www.pfeiffer.com

CHAPTER 1
Reflecting.....
What is this book all about then...?

I thought it would be helpful to start with a little bit about the philosophy behind this book. Not only will that help you learn what is in store in the pages ahead, you will gain an insight into the person going on the journey with you.

You will quickly learn that I love lists (do not ask my wife about this!). So here is a list of the main reasons why the book has come into being:

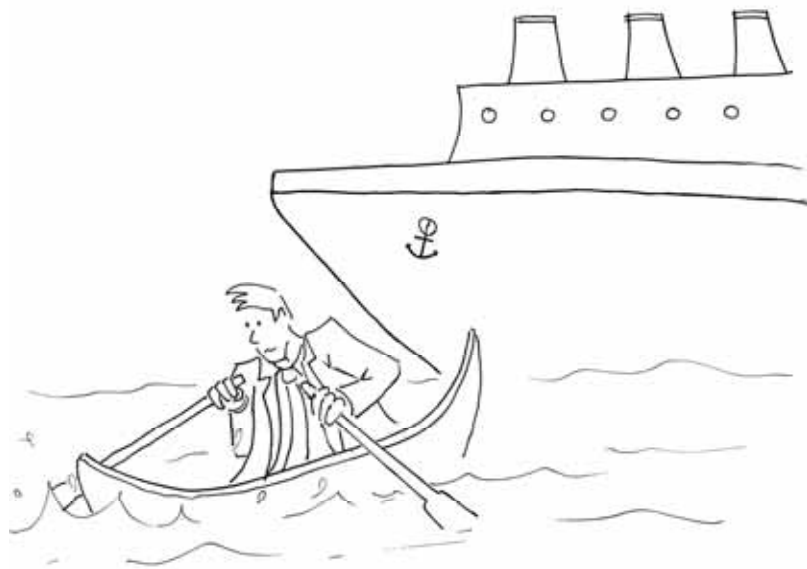
- Since I left the corporate world in 2001, I have set up a consultancy in my own right, merged it with a bigger one and subsequently demerged it. I have now developed a “portfolio career” - more on that later - and have spent 8 years working with a whole range of people who have also left the corporate world and are trying to do their own thing in many different ways.
- I have specialised in mentoring owner-managed businesses from cradle to grave, i.e. anything from pre-revenue start ups, through to people looking to raise debt and equity to grow, through to people looking to sell. So I can see beyond the start-up to the end game, whatever that looks like.

- My aim is to try to give you a whole host of ideas to go away and reflect on, and in addition to give you a set of practical tips and hints that, if you do go down this route, will put the odds in your favour that you will be successful rather than become a national statistic - 50% of small businesses, whatever type, do not last the first year and 80% don't last 5 years. I want you to be on the other side of those statistics if this is what you decide to do.
- There are a great number of books on this topic of starting your own business. Many of them focus on taking your idea to market. That is absolutely fine. But what if you don't have an idea or you have an idea but are not sure that running your own business is the right option for you? I want to make sure these aspects are given a fair hearing.
- A number of people whose opinion I respect have all independently told me I should do this, and eventually I could not deny the urge to write it any longer.

The Adjustment Process

The first thing I would like to share with you is the adjustment process, which I remember I went through back in 2001. It is quite a huge change, moving from working from a big institution to working for yourself, even if it is to be yourself plus others. One key part of the adjustment is linked to whether you engineered your own departure or it was engineered for you. Depending on what is happening to you at this moment in time some of these adjustments might strike a chord with you.

I am not going to dwell on these as they are now fading memories for me; they have been eclipsed by other more exciting events. The first one is the whole issue of working from home which is where most people start - they don't usually go out and rent an office, studio or workshop. I was used to working from home because of the nature of the job in my later years at Deutsche Bank; I was out of the country three weeks out of four and was conditioned to working from home before and after trips, particularly as I am not very good at getting off the redeye flight and performing effectively. I am pretty much a wimp and I can't cope with sleep deprivation; by lunchtime it's like I have been hit by a truck!



But I am much better going home, getting a couple of hours sleep, getting back in the right time zone, doing a bit of work and then on day two getting back into the swing of it rather than going into the office and being a superhero; it just does not work for me.

As Clint Eastwood would say before he shot people: “a man has got to know his limitations” and I knew what mine were!

So I was used to working from home and I was quite disciplined; I did not lapse into watching daytime TV unless it was golf (my Achilles heel), and then I could get the siren call of the TV. But there is a huge difference between doing it for the odd day here and there and it becoming a way of life.

As I said, not many people go out on day one and decide that they need an office, a studio a workshop, or whatever it may be; they start from home and figure out “what is what” so there is quite a significant transition from being in a buzzy office environment where you have noise, chatter, gossip and everything else going on, to being in a more tranquil setting at home. When I started my wife was (and still is) a school teacher and my kids were at secondary school, and they all went out together in the morning at 7:30; the earliest back was around

Our interviews showed that the Top 3 “Things we miss about Corporate Life” were:

- 1. Community***
- 2. Administrative and Financial Support***
- 3. Benefits (plus security of regular payslip)***

5:30 in the evening. During that time the only interruption, (we live at the end of a quiet cul-de-sac) was the postman who used to pitch up at around 11 o'clock. I felt like an old man on neighbourhood watch, as, if he had not appeared by 11:30 I would peer through the curtains thinking "has he fallen off his bike?" and wondering whether he was alright. I needed to get out more!

It dawns on you, particularly if you are a gregarious animal and you like social interaction, that the only person who can do something about it is you; you can't sit at home fretting about it.

At the same time you notice that the phone does not ring as much, you don't get as many text messages or emails and the only post you get is either bills or junk!

So we need to find some ways for you to fill your time constructively and at the same time get you out of the house - research and networking (see later) will be big parts of this.

The second big change I remember was all of a sudden the infrastructure I had taken for granted was not there anymore. The two things that hurt me most were firstly research and secondly legal.

Our interviews showed that the Top 3 “Wish I had known” were:

- 1. How much time needed to be invested in marketing self and business***
- 2. People - to be more discerning and less trusting (Particularly in terms of difference between what people promise and deliver) - also filtering out bad clients early***
- 3. How hard it is to get paid***

Because of the nature of my former job I was heavily dependent on research; Deutsche Bank had more research than you could ever imagine, and so if I wanted information on a country, a company, an industry, or a peer group, somebody somewhere would have it and I would just go and get it. All of sudden now I had two choices: either do it myself or pay someone else to do it, and that hurts!

The other, as I said, was legal. Again because of the job I used to review rafts of legal documentation; now all of a sudden I had to trust my paralegal skills or pay a lawyer to do it for me, and that hurts even more because lawyers are not cheap!

So you have to figure out how you plug all those gaps in your infrastructure that you have been so dependent on in your career so far. Nowhere is this more painful for somebody like me than in the world of IT.

There is a well known oxymoron - the IT help desk - which is up there with “military intelligence”, “customer service”, and “business ethics”. All of a sudden if you have a situation where your printer won’t listen to your computer, or it decides that today is the day it prints in Egyptian for fun, or it won’t print in a straight

Sources of Encouragement

Story 1

I am a big fan of golf, and I remember hearing a story which concerns Gary Player. Gary Player was at his peak the same time as Arnold Palmer and Jack Nicklaus. They were the big three at the time and they won many of the main trophies between them. Gary won one particular tournament and in the post tournament interview with the media one of the journalists was brave enough to say to him “*do you think lady luck was on your side today?*”. The answer, reportedly, was: “*It is a really funny thing but the more I practice the luckier I get*”. I generally believe it is true - the more you work at something, the luckier you get and things break for you, so perseverance and tenacity are really important.

Story 2

The second story, which is something to cling onto in the dark days (and there probably will be some), concerns a person called Pablo Casals. Pablo Casals was arguably the greatest concert cellist the world had ever seen and I remember hearing him being interviewed in the 1970's. He was asked: “*you are in your 80's and you are acknowledged as the world's greatest concert cellist, but rumour has it you still practice for 8 hours a day; why do you put yourself through this?*”. His answer: “*I keep getting better*”.

Sources of Encouragement

Story 2 - continued

What an unbelievable attitude from somebody in their 80's who has not got to prove anything to anyone. I see people out there, day in day out, who have that kind of drive. People who have that level of determination, provided they have an idea that makes sense, are going to make things happen.

"If you can see it in your mind's eye, you can hold it in your hand"

Bob Proctor, Inspirational Speaker

line, or your computer just hangs there and does nothing, who are you going to phone?

If reliable IT is going to be important to you in your new role, then you may want to consider some form of maintenance agreement with a local service provider. It can get quite fraught if you need to print something off to take to a client or a prospect and you can't do it!

There are four major checkpoints which I want to draw to your attention, which come up as you go through this adjustment process. The first two are closely linked.

I have repeatedly seen with other people that if you have the right attitude and mindset to make the adjustment, and you also have a business idea that makes sense, then normally it's a case not of whether you are going to be successful but how long it is going to take. If people have ticked both those boxes and then applied themselves the right way, with 90% perspiration and 10% inspiration, they eventually make their own luck and things start happening for them; the big question is how long it will take, and can you fund yourself for that period of time.

The third checkpoint concerns mentors. I have seen a direct correlation between people who employ some kind of mentor and people who

don't, in terms of their success as they go down this route. People who have a mentor from day one seem to find it easier generally to get going than people who don't.

It can be different things for different people depending on you, the business you are going into, the business skills you have and so on. It could be somebody you already know, where there is a significant level of mutual trust and respect, where you can open up to this person in confidence and where they can be that wise head or wise old owl whom you can use as an impartial sounding board. This person could be found in your social network or in your existing business network.

If not, it could be somebody who has done something similar to you i.e. gone into the same line of business. Therefore they know the world you are going into quite well, and can give you a great deal of sector knowledge; they may also have a useful rolodex of contacts to contribute.

It could be somebody who has successfully built a business of a different type or in a different sector; he or she can therefore anticipate what is going to happen next and consequently help you to prepare for that as you go through the "growing pains".

Mike Teasdale says:
“Find an honest mentor who you can talk to. Not a friend who will tell you what you want to hear, but someone that will - in a positive and constructive way - challenge and mentor you through the journey”.



Finally it could be somebody who has a skill you don't have. I did a lot of work down in Brighton with early stage technology businesses, where quite often there was one founder. These people would be very technically competent, whatever their area of IT expertise was, but quite often at the expense of other skills.

One option for them was to identify a mentor who was strong on marketing and sales. Typically they had a product or service that was advanced and innovative, but they did not know how to commercialise it. So, having a mentor who could help them figure out how they could take their offering to market and maximise it made a lot of sense.

It will be a different answer for all of you. If there is nobody that springs to mind, just keep your antennae up as you come across people and figure out who might be able to do that job for you. As I said, I have seen a direct correlation between people who take this step and people who make the transition successfully.

I have to take "my own medicine" and have worked with a mentor for over 4 years now. Fiona has been a fantastic impartial sounding board and has been instrumental at helping me structure the portfolio career I now have and fully enjoy.

How many Options are there?

- ***Buy an Existing Business***
- ***Invest in an Existing Business***
- ***Start a Business from Scratch***
- ***Buy a Franchise***
- ***Look for Contract Work***
- ***Build a Consultancy Practice***
- ***Go Freelance***
- ***Create a Portfolio Career***

Figure 1.1

The fourth and final checkpoint is aspirations. It's important to remember that success for one person may mean something completely different to others going through the same transition.

If you try to define success by way of some kind of monetary target, it may well depend on how old you are, how far you are along your journey in life, the extent to which this is topping up a situation where you are already financially independent, the extent to which you are the main or secondary bread winner, and the impact of children i.e. are they yet to go to school and/or university? All of these factors will determine what success has to look like. Again keep this in mind, because it is going to be a key part of your plan.

Options

I really just wanted to try to capture up front the different approaches that can be caught under this “working for yourself” umbrella. This calls for another list! (See Figure 1.1).

