



Turning *inspiration* into *income*

Do you have a dream project? Life coach Claire Pedrick sets some questions to help you make it a reality

A passion is the first essential you need to make a success of a new career or business, but dreams will be just that unless they're based on facts. You'll only know if you can make a change if you do the maths. Use these questions to help establish the facts.

What's your attitude to risk?

If you aren't willing to risk compromise, then say goodbye to change. Know what your plan B is. When I set up my business, I knew that, if all else failed, I could stack shelves in Tesco overnight. I never have – and from the beginning I made more than my bottom line, but I had a fall back plan.

Who are your first five customers?

Do some research – if you don't know the answer to this before you start, be careful.

How quickly do you need to start making money?

Perhaps you have savings to cover your living and business expenses in the interim, but working out exactly when and how much revenue you need is an important first step. If it's okay to make a loss, then how much time and money are you willing to invest?

Are you in a full-time job and thinking about a big change?

Giving up a regular salary is hard and if you need your customers in order to pay for breakfast it will show. Short term, you may be able to work part time in your current job while you establish your new life.

Are you coming back to work after a career break?

In this case every pound from the business will be new money. You will need a good budget. Research and remember to price your goods/services realistically – they may be more valuable to your customers than you think. If you can only run the business with discounted goods and services, it won't fly.

Do you want to downsize and earn an income at the same time?

How much time are you going to invest? How much money is this worth? Factor in unpaid time to develop your business as this will affect your prices. If you want to work for one day a week for 40 weeks and earn £10,000 before tax and expenses, you'll need to charge more than $10,000/40 = £250$ a day for your goods or services.

Doing the maths...

This isn't complicated, but it's important to be honest and not leave anything out. Not everyone who is considering a change in their life or career is a natural entrepreneur. Doing the maths is very important if you are cautious, as the facts can be the kick to get you to cross the bridge towards your dream.

1 Work out your annual income before tax. Include salary, employer's pension contributions and other employee benefits.

2 Is there any other household income that can be included in your budget? This might be your partner's income, working tax credits or child benefit.

3 Now work out your annual or monthly expenditure. Account for bills, food, entertainment and childcare.

Now you have choices. Which expenses can go on hold? And for how long? Be realistic. How long can you go without buying clothes? Or live on value beans. How long can you freeze your pension – and what effect will it have? What's the minimum income you need in order to pay for your bottom line expenditure?

Think about other ways you can contribute to income as the business develops, such as supply or temp work, renting out a room, or selling CDs on eBay. When you're making the business work, you may need loans and credit cards as a back up, but try and do your calculations without depending on them.

Contact Business Link (0845-6009006) to find out about your position on tax and National Insurance.



My own career journey

My husband was made redundant the week I found out I was pregnant with our first child. He was unemployed for nine months and on temporary contracts for almost three years. I worked full time in a charity for two years until our second child, Ellie, was born. But with two small children and a husband, who by now had a four-hour commute each day, full-time work was

impossible. So I began to do freelance work. Then I started a coaching course to consolidate my skills and 3D Coaching was born. The challenge has always been not to take on so much that I don't leave time for myself. I work almost full time, but take all school holidays off. It works so well, I plan to continue this flexibility even when the girls are grown-up. Claire Pedrick is director of 3D Coaching. See www.3dcoaching.com for details.