

## SELF EMPLOYED VS EMPLOYED

You've heard them say it, or maybe you've even said it... "It would be great to be my own boss." But let's make it very clear, you have to have the experience of being a great employee, or a great boss first in order to boss yourself around. Not wanting to work for "The Man" shouldn't be the motivation to "work for yourself". Before you utter that vague title, think about what that even means. Bosses expect you to show up on time, take very little breaks and work as hard as they do on their company. Good employees work every hour of every day, you find them eating at their desks and taking calls on weekends just to make you happy.

Are you one of those people, or both? If you aren't...maybe forget working for yourself. This was a fail for me, I trusted myself that I would work hard and stay motivated...but it's difficult to motivate yourself. Maybe working for someone else is a good thing...some people aren't cut out for the grind. If you're as stubborn as me, you'll move forward with being self employed...but I urge you to look up the definition of "grind" on google. Preferably in front of a family member say "I will wake up every morning to..." before every description on the page. If they believe you, you're on your way.

The last definition should be your motto, it's mine.

### The hardest parts:

We're going to be breaking down a few parts that will either scare you away, or make you think "I can still do this!".

1. Being Organized
2. Staying Motivated
3. Taxes (scariest word ever)

Let's start with being organized. If you want to work for yourself you need a few things. Day planner, Calendar, Sticky Notes, & one filing cabinet. Ok, that's not exactly what I meant, but you need those things too, and we'll break those down later. Being organized is not about keeping a clean desk, tons of people know that's not me at all...but what it is, is making sure you don't screw anything up.

### BEING ORGANIZED

Set your business up right, don't operate as a creative individual and stumble around. There are lots of resources out there that tell you first steps, but if you don't like googling here's a few:

1. Check to see if your new name has availability online, you may need to make tweaks depending on the real estate options. Use [namechk.com](http://namechk.com), it's a great resource not a lot of people know about!
2. Register for your business, whether it's a Sole-Proprietor, Partnership or Corp.
3. Get an HST/GST number, Google these things, it's the first hit!
4. Call the Bank, start an account under your business. Also, call a few banks, ask around to see who treats small business owners the best. There are a few good ones out there that actually like you.
5. Get a visa, the limit will be small, but start building credit.
6. After all of this is done, see what you're in for. What does a small business owner look like to a bank, to creditors etc. They don't necessarily love you, but if you know your limits you know what not to expect.
7. Find out what benefits are out there for you, there are grants, small business loans, tax credits and all sorts of goodies for us poor people!

The point of all of these things is to take it seriously and become a business owner. Not just to tell people you "run a business" so they think you're special, but because you want to support yourself and help churn the economic motor in your town, province/state and country.

Lastly, get a desk. Working at Starbucks or your couch doesn't show organization.

## STAYING MOTIVATED

Ok, so why isn't "Taxes" second important here? It's because we self-starters need a break from all the serious stuff, otherwise we'll just end up eating chips scrolling instagram. We need some creative ideas to break up all the government stuff.

1. Find an accountability partner, someone you meet with every week/two weeks and have a 30 minute meeting. It's what kept me motivated, because I'd either come up with an idea there and rush back to do it or hear great advice that would encourage me. It also means you have something in your schedule that you have to do, which you can look forward to.
2. Limit your time! I learned the hard way that I love wasting my own time, like a lot of it. People are bad too, they cut into your day and break you from what you were suppose to do. It all sounds good at the time, but when you look back your day was fragmented and wasted. Tell your clients (*and yourself*) you only check emails once in the afternoon and once at the end of the day. This keeps your head clear from the time you wake up until then. Tell them you answer calls after lunch anytime, and have meetings only on Wednesdays at 2pm. Trust me, this will rock your world.
3. Fake Deadlines. These literally are my fave, I still do it to this day. I used to push everything back because...you guessed it, I had no work. So after a year of screwing up, I made deadlines in my schedule even if I had nothing on. It helps you fit the work within a specific timeline and prepares you for the big work coming up. It's also nice to tell clients "I have a deadline on Thursday, but we can chat on Friday" vs "I'm open".
4. Buy a calendar and day planner. There's nothing like looking at a full day, it's the best. According to the above advice, you should have lots to do already.
5. Lastly, get dressed. I found out after a year of trying to pull myself out of bed that most of my problems were clothing. If you get up and start working...it's no good. If you get up and get *dressed up*...now we're talkin'. Wear a suit, nice dress pants, a blouse, skirt (*preferably not all at the same time*), do your hair as if you're going to see someone. If the person you live with says "Who are you meeting with today?" you know you're doing it right.

All these things had to happen in order for me to stay motivated. There's much more obviously, but find what works for you!

## TAXES

Ok, here's what I know...but the rest will need a professional's eye on it. Which is my first point, get an accountant! Some people do their own taxes, and I love that about smart people...but it's me we're talking about here. I'm a mess, I forget receipts, which month I'm in; and for a year end is Dec 31 and I'm pouring some sort of spirit in my face.

But what I've learned over the years of fails in this area is this, not every accountant knows your type of business. What I mean is they may know the rules, but they don't know how you operate. So I like to break it down into three parts for them to get a grasp, and it goes a little something like this:

1. Your Personal Brand
2. Your Personal Business (Sole-Proprietor)
3. Your Corporation

Ask your accountant the difference between these three things and what path you should take. If they know, they'll help you out and if they don't know what you mean....get a new accountant.

There are so many write-offs, credits, payment breakdowns you need to know before getting into this business thing. A good accountant will show you how to do it right, show you how to play the game (legally), and make sure you do it at the right time.

## PERSONAL BRAND

Your personal brand is filled with things you absorb, sometimes for kicks but sometimes for work. If you're the type of person who goes to work, comes home and shuts off...this isn't for you. But if you work at night, or on the weekends to develop your skills and abilities, you are building a personal brand.

If you want to bring those skills into the business you create, similar to how you would bring them in for an employer...you have been building your personal brand. Without this your Sole-Proprietor or Corporation has no value. This needs to be a topic with your accountant, where do the expenses factor in, how do you divide that between personal development and business life.

## **PERSONAL BUSINESS**

Sole-Proprietor isn't much different than the above other than paying yourself and paying taxes. Your personal brand is more for the work you do under \$30,000 per year, but if you start billing and make more than that (*which I hope you do!*) you'll need to start a Sole-Proprietor. This helps you with big dollars coming in, big purchases, writing off your home office space, utilities, car and phone stuff, but doesn't really help in the legal department. If you're alone, making a good amount of money and write off some substantial expenses...you've done well. If it's more than that, it's time to become something a little bigger because the tax and mistakes you make will crush you soon enough.

## **INCORPORATED**

Sure, maybe you're not there yet, but you should really ask about it. I didn't give this thought or this option the time of day when I was first starting out because I didn't think I'd ever get there. Then when I did get there, it was like learning everything all over again. The key questions to ask when becoming a Corp are below, call up an accountant and see if they can give you some answers.

*Can my personal brand continue if I'm a Sole-Proprietor?*

*Can both Personal and Sole-Proprietor continue if I'm a Corporation?*

*If they can, what are the benefits of that?*

*How would you like my information (purchases, expenses, payments etc) broken down?*

*Can I customize my tax plan according to my schedule and abilities?*

*What are the benefits in each category, what is the best way to keep most of my money?*

*Can you provide me with a list of write-offs that make a difference?*

*Can you provide a list of ways to benefit from being a small business owner?*

Don't be afraid to ask these questions, you won't go to jail.

Find more info in our next download **Sole Proprietor VS Incorporated**

## **LINKS**

<https://namechk.com>

<https://www.canada.ca/en/services/business/start/register-with-gov.html>

<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/account-register.html>

<https://www.canada.ca/en/services/business/grants.html>

<https://www.staples.ca/search?query=filing%20cabinet>

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