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## STEP 8 - Structural Strategy

This step considers how your business is structured.

If you have more than one distinct PROCESS leading to distinctly different OUTPUTS for distinctly different MARKETS than it's likely that your business is best structured into a number of 'Divisions' or 'Departments'; One for each separate process.

If you only have one output type however you don't need to do this.

How you structure your business will have an impact on the marketing and business identity. You might want to create different brands for the different divisions - it all depends.

But initially - this may change later -

### Does my business serve:

- ☐ A single market, providing a unique specific benefit?
- ☐ A single market providing a range of different benefits?
- ☐ Multiple markets with similar benefits?
- ☐ Multiple markets with a range of different benefits?

### Does my business operate:

- ☐ A single process to provide all the output benefits?
- ☐ Multiple processes to provide different output benefits?

### Do I need multiple business divisions to facilitate managing my business?

Yes / No

We will look at the impact this decision may have on marketing, finance and operations when we come to deal with those in detail. You may then decide to alter this decision.

If you are not sure what to do here don't hesitate to book a **PBCS Helpline Call** at <https://BenCoker.as.me> to discuss the matter.

### Next consider the 'people' side of things

The first question to ask yourself is:

### Do I intend to run and operate this business entirely by myself, at least at first?

Yes / No

**Are there any people, such as a Partner or Spouse or anyone else who is not directly involved in the business but who may be able to exert some form of control or influence over what I do, when I do it, how I do it and so on?**

**Yes / No**

If you have answered 'No' to this question and 'Yes' to the previous question, then move on directly to Step 9 of this Workbook.

If you have answered 'Yes' to this question, then the persons concerned are known as PSCs or 'Persons of Significant Control'. This is only legally relevant if you form a Limited Company and will be covered in more detail in Step 13.

If you are not operating your business entirely on your own, this implies that you will be involving others in your enterprise.

For the sake of clarity this does not include 'suppliers' who invoice you for carrying out a specific task, like designing a website, creating your brand, overseeing your accounts, and even providing you with this programme.

There are several other categories of 'helpers':

**Employees** - people who are formally employed by you or your Company either on a full or part time basis. These people come under all the provisions of Employment Law.

**Sub-contractors** - people or companies who carry out operations within your business but are not employed by you and invoice you for their services on a regular basis.

**Consultants and Coaches** - usually individuals who provide professional advice other than on a one-off basis and again will invoice you regularly or for a defined project.

**Agents and Affiliates** - people who represent you formally or informally for marketing or sales purposes and are paid commission based on the income they generate for your business.

**Partners or Co-Directors** - people who work with you on a full or part time basis to help you run the business. They may or may not be involved in the actual operations and may or may not be formally employed

**Casuals** - people taken on on a daily or hourly basis to do a specific task and often paid in cash. This is not recommended and is 'frowned upon' by the authorities, but still exists in some industries.

Remember this programme is all about creating your Personal Business which we define as a business with a maximum of two Business Partners or Directors. That however does not preclude it from engaging with other types of provider.

In my business I intend initially to engage one or more of the following:

- ☐ **Partner/Co-Director**
- ☐ **Employees**
- ☐ **Sub-Contractors**
- ☐ **Consultants/Coaches**
- ☐ **Agents/Affiliates**

We have not included Casual Workers as we do not recommend that you take this course of action for various reasons which will be covered later.

However, if your business model is for some reason dependent on this type of engagement you should specify why.

**My business needs to engage casual workers on a day to day basis because**

As soon as you bring other people into your Personal Business you have to make decisions on who does what and who is responsible for what.

On no account should you bring someone into your business as a Partner or Director if they are not going to be playing a significant role.

The only exception to this is when someone is providing significant financial backing to the business or is in some way indispensable to you carrying out your role in operating the business.

Either way you **must**, and that is a must, draw up a **Partnership Agreement** with anyone who de facto becomes a co-owner of your business.

Contrary to popular belief your Spouse or Civil Partner is not automatically entitled to a share in your business.

Failure to have an agreed and legal Partnership Agreement in place from 'Day 1' has been the downfall of many enterprises, large and small.

Despite what you may think now, that you are both in full agreement and don't need a 'piece of paper' **things do go wrong** - big time!

## I will be working with a business partner and need to draw up a formal Partnership Agreement

Yes / No

### Reccomendation:

In the first instance if you need to draw up a Partnership Agreement you should contact **Greg Walsh Law**. [www.gregwalshlaw.com](http://www.gregwalshlaw.com). Greg is a commercial barrister well versed in this sort of thing and it's less costly to approach him direct rather than going through a Solicitor - who would only pass you on to someone like him anyway.

If you choose to take on **Employees**, even one employee, you need a **Contract of Employment** in place and are also subject to a host of other regulations. This will be covered later.

## I will be engaging employees and need to draw up a formal Contract of Employment

Yes / No

If you will be taking on **Sub-Contractors** or **Consultants**, there is one thing you need to be keenly aware of which emanates from the 'infamous' Inland Revenue Regulation 35 commonly known as IR35.

This came about in the 1990s when larger employers started making people redundant and then immediately re-hiring them as sub-contractors or consultants. It was a win-win situation because the employers were released from the constraints and extra costs of the employment law regulations and the individuals concerned were paid rather more than they were as an employee.

Like the later 'Gig Economy' people ended up working 'full time' for a single 'client' becoming a pseudo-employee. Indeed, it was usually impossible to tell, inside a large organisation, who were real employees and who weren't!

Avoid taking on people in this way. Make sure that any sub-contractors you do take on **have other clients who they provide services for**. You need to have a specific contract for a specific task to be carried out over a specific period of time, whilst making sure that these people do not become pseudo-employees and are clearly identified in the public domain as contractors.

**Coaches** are slightly different as they are unlikely to engage with you 'full time'. Although 'retained' by you for a period which may be indefinite they are most likely to have several other clients concurrently.

If this is not the case, then you will need to treat them in the same way as consultants.

All these providers, sub-contractors, coaches and consultants will need specific **Engagement Agreements, Scope of Work and Terms and Conditions**. They will often provide their own but again this will be dealt with later.

## I will be engaging Sub-Contractors, Consultants or Coaches and need to draw up formal Engagement Agreements and Terms & Conditions

### Yes / No

Finally, if you choose to make use of Representative, Agents or Affiliates (including Affiliate Marketers or Internet Marketers) on a 'Commission Only' basis then the situation is somewhat simpler. You will need to draw up a clear and unambiguous '**Payment Plan**' (or 'Compensation Plan') and a clear set of **Policies and Procedures** which direct the people involved about what they can and cannot do to promote your business in order to protect your integrity and brand image.

There are no regulatory issues in this area save that you must make it clear that people working on your behalf on 'commission only' must NOT represent themselves as an employee of your business, and are entirely responsible for their own business affairs, insurance and tax reporting.

## I will be engaging people on a commission only basis to promote my business and need to draw up formal Policies and Procedures and a formal Payment Plan

### Yes / No

If you need help on this particular matter, please book a **PBCS Helpline Call** at <https://BenCoker.as.me> to discuss the documents you will need.

The final section of this Step is about how you **manage** your business.

As soon as other people come on board it creates a necessity for three activities which would not be needed if you were running the business entirely by yourself.

These; carried out simultaneously, are:

- Management
- Reporting
- Control

Although I say 'simultaneously' the process is sparked off by 'reporting' - people tell you what has been achieved - then you need to 'control' what is going on, and you do this by 'management'. Simple isn't it?

If only! But it should be if you **apply some simple rules** to yourself.

- **Don't let people tell you what they think you want to hear!**
- **Don't make people feel they are being judged or tested on their performance.**
- **Control what's happening by looking to the *process* and not the people - 99% of the time when 'things go wrong' it's down to flaws in the process - not the people operating it.**

- **Recognise what's gone according to plan, not just what's done better**
- **When things don't go according to plan, change the plan, don't blame the people**

And remember, when your 'people' are happy, whatever role they are playing or position they hold then this positive energy will be passed across to your clients or customers. Make them happy and they'll come back for more!

**I intend to apply all of the above 'rules' to how I manage my Business**

**Yes / No**