

A woman with long dark hair is shown in profile, looking down at a laptop. The image is heavily overlaid with a solid blue color, making the details of the woman and the laptop less distinct. The text is overlaid on the upper left portion of the image.

# The rise of the Homepreneur

The changing landscape of the workforce

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With advances in technology and a more mindful approach to the work/life balance, people are giving up the 9-5 office lifestyle for the chance to start their own businesses. Taking to their kitchens and garages, we've seen the transformation of the 'homepreneur' – which has turned from a passion project into the main career focus of millions of people around the UK.

As the traditional definitions of career and employment begin to shift, we've taken a close look at the home-based workforce, looking at their attitudes to work and how it defines them. We've also explored their equivalents in the office, and how the UK's bigger businesses need to step up their game in order to retain the levels of talent who are increasingly setting up on their own.

With 32.14 million people in the UK workforce, achieving the balance between a satisfying home life and staying motivated at work becomes an even more delicate job. Many will take up a creative pursuit to help them get some focus; whether they're rustling up delicious cookbook ideas in the kitchen, or tinkering with some serious hardware in the garage, Brits are putting in the hours on creative projects at home. But when these creative side projects start to show serious business potential, it comes time to

decide whether or not to turn it into a full-time, paid pursuit – and take the leap into being a homepreneur.

As of 2016, almost three million people have started a business in their home. And in contributing £300bn a year to the UK economy, they've more than demonstrated that there is a viable alternative to the traditional trappings of the workplace – from factories to offices, showrooms to sheds.

The foundations are being laid for more people to make the move from 9-5 towards the fulfilment of being their own boss and starting a business at home. This means that UK employers must try to retain their top talent through a combination of incentives and benefits that will give their staff the best of both worlds. But with career satisfaction, a real stake in achieving the best results and a happy work-life balance on the line, how do they begin to address the issue?

Aron Priest, Co-Founder at Solopress, commented:

**"It's important to us as a business to understand what motivates people. We want to ensure we are retaining the very best talent because they are the ones who ultimately make our business a success. With so many people setting up shop on their own we need to make sure we are in tune with the needs of our staff and with the evolution of the workplace. In this digital age, the needs of employees is constantly evolving and changing, we can't lose sight of that."**



**"Running your own business offers a steep learning curve, risk and opportunity as well as increased autonomy and flexibility. It is a step which appeals most to personalities with a high need to achieve and curiosity to learn. A job which constantly changes and offers an ongoing need to adapt will sustain the drive to learn for longer than a job which is quickly mastered."**

– Lucy Standing, psychologist and Founder of ViewVo

Section 1

# Why people are choosing to run businesses from home

Before we can try to answer this question for employers, we need to take a closer look at the habits of home business owners, to find out what they're up against.

We surveyed 500 homepreneurs on the ins and outs of their working week, to try and find out: what motivated them to start their own business from home, what they miss about working in a more traditional environment, and how their overall attitudes about working life have changed since making the move.

### Why run a business from home?

There's a wide variety of reasons why people chose to start up a business from home, spanning a better work/life balance, financial motivations and even just a distaste for the alternative.

Interestingly, more than one in ten of those surveyed (11.55%) didn't intend on becoming a homepreneur in the first place, but eventually set up full-time just to meet the demand for their product or service.

### Flexible schedules

More than half of those surveyed (52.19%) told us that they love the chance to make their own schedules and work around other commitments. The 'always-on' workplace and the needs of its consumers are slowly changing the face of the 9-5 working day. Developments in technology are also

steadily unchaining us from our desks, meaning that work gets done outside of the once strictly-defined office hours by early birds, late risers and night owls alike.

### Job satisfaction and pay

One of the most important factors for fuelling this move to homepreneurship is people's empowerment. The pay doesn't necessarily translate into instant success, but for more than a quarter of respondents (26.49%), this isn't the main incentive – being their own boss is.

Along similar lines, 15.94% of those surveyed claim it's all about how rewarding it feels to work for themselves. For these people, the chance to set their own hours and feel like they're gaining more from setting their own agendas is what appeals most.

As for the financial motivation, it turns out that of the 500 people surveyed,

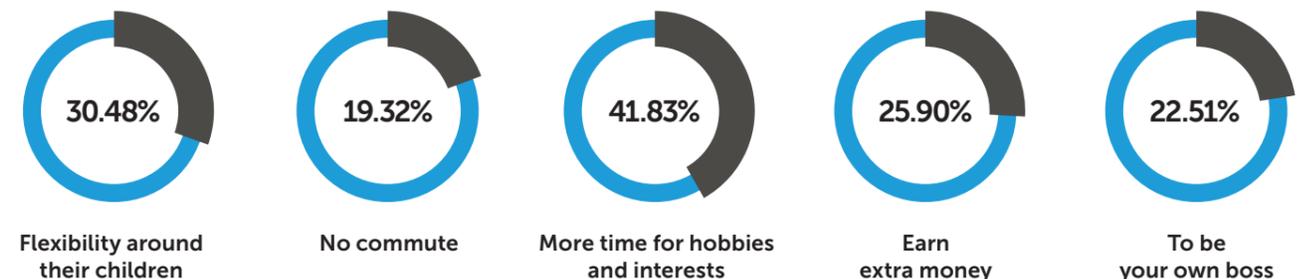
**Over half (53.78%) of homepreneurs earn less money running their own business than they did in their previous role.**



On the flipside, nearly a third (32.47%) are actually earning more. 36.68% are earning around £101-£300 more per month, while a very fortunate 9.27% are getting an additional £2500+ each month.

Those who have made the move to homepreneurship are seeing satisfying results in balancing work, life and their bank account. It seems there is very little which could tempt them back to the workplace. But where the move to a less rigid, less structured work life pays dividends for some, the security of consistent and regular work as a company employee is too important for others to give up.

## Why did you start a business from home?



<sup>1</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/september2017>  
<sup>2</sup> <https://www.enterprisesationation.com/homebusiness>

Section 2

# Why the workplace can be a great contender

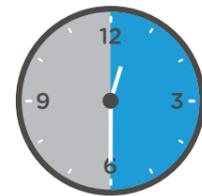
As homepreneurs are focused on making a success of their business from the moment it launches, more traditional companies operating out of factories and offices are able to dedicate significant time and resources to maintaining employee morale.

### Holidays, breaks and sick pay

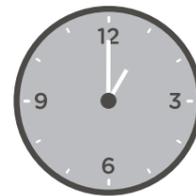
There are a number of benefits which company staff are in a position to receive compared to those in charge of running their own business from home. Companies are legally required to pay staff for holidays and sick leave – but when a homepreneur falls ill, they may not be able to take time off to recover for fear of falling behind. Nearly two thirds (60.40%) of homepreneurs take zero sick days a year, while more than a quarter (28.8%) only take one to three.

With the Government’s legally-mandated 20-minute break for every six hours of work that employees perform, it would appear that some homepreneurs are sacrificing their own rest and relaxation in order to run their business for any stretch of time. Although a determined and respected approach, it’s at odds with the rest of the continent in both action and consequence.

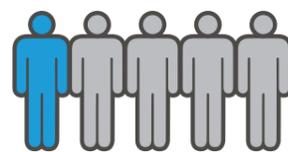
It’s much the same story for taking time off to relax and unwind. The Government says that most employees who work a five-day week must receive at least 28 days’ paid annual leave per year, but nearly 1 in 5 (18.73%) homepreneurs only take one to five days’ holiday a year. Slightly fewer (18.42%) take 17-22 days of annual leave per year – still a good few days less than UK employees are legally entitled to.



37.85% of homepreneurs only take 30 minutes for lunch



20.32% of homepreneurs don't take a lunch break.



Nearly 1 in 5 (18.73%) homepreneurs only take one to five days’ holiday a year



17.82% only take a break for coffee

Even day-to-day breaks like lunch take a back seat when it always feels like crunch time. Around one fifth (20.40%) of home business owners don’t feel they have time to take lunch, while another 17.82% will restrict themselves to a ten-minute coffee break.

<sup>3</sup> <https://www.gov.uk/holiday-entitlement-rights>



### The working week

The Organisation for Economic Cooperation and Development (OECD) studied data on countries’ productivity, based on the hours they work and the value of their GDP. The data shows a number of countries who manage to earn more towards GDP while working fewer hours a week. In the final rankings, the UK doesn’t even break the top ten, while its continental cousins like Luxembourg, Norway and the Netherlands all stake their claim in the top five.

While many homepreneurs are working all week to get work done, these sort of stats show that working full-time may not be the answer. In Europe and particularly in regions like Scandinavia, different working regulations and traditions are having a more positive effect in global rankings.

### Most productive countries (GDP / hours worked = £/hr)



1. Luxembourg: £45.71/hr

2. Norway: £36.36/hr

3. Australia: £29.81/hr

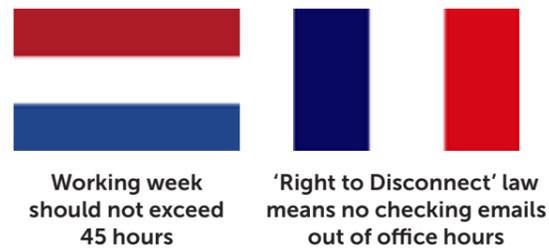
4. Switzerland: £28.35/hr

5. Netherlands: £28.35/hr

The United Kingdom comes in 16th position with a GDP of: £18.64/hr

<sup>4</sup> <http://www.legislation.gov.uk/uksi/1998/1833/contents/made>  
<sup>5</sup> <https://www.indy100.com/article/the-most-productive-countries-in-the-world-also-have-the-shortest-work-days--ZJWJ1Vv8Pb>  
<sup>6</sup> <https://expatexplorer.hsbc.com/country-guides/netherlands/working>  
<sup>7</sup> <http://www.bbc.com/news/magazine-36249647>

Dutch law stipulates that the working week should be no longer than 45 hours – and the French recently passed the ‘right to disconnect’ law which encourages workers to not check their work emails out of office hours. Moves like this are intended to lay foundations for more consistently fair working practices, and tend to have far-reaching positive results as the OECD ranking will indicate.



While no such amendments to the working week are currently up for adoption in the UK, employers who see fit to advise their workers on achieving a better work/life balance are generally lauded for their efforts to boost company morale – and therefore tout a highly desirable workplace.

**Perks of the job**

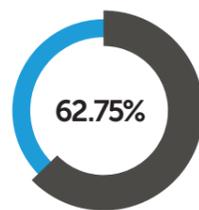
While homepreneurs are relatively untroubled by the perceived advantages of the workplace, many do admit that there are things they miss about office life. Nearly two thirds of those we surveyed (62.75%) say they miss the social interaction with colleagues more than anything else – running a business from home may have its perks but it seems that a chat by the water cooler is something they'd like back.

And while homepreneurs display an admirable tendency to focus on their work, 45.22% do miss the benefits of sick pay and the ability to take holidays. 34.06% of the people we surveyed are envious of those who can switch off once their working day is over, while almost a fifth (19.52%) wish they had someone to do their administrative tasks.

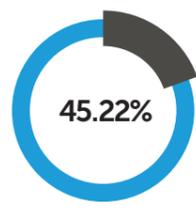
But most tellingly, 85% said they're happier running a small business from their home.

With that figure in mind, how can bosses ensure they're attracting and retaining their best prospects – and see that they aren't lured to the dark side of running a business from home

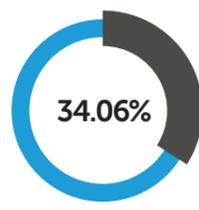
**What do you miss most about your old office job?**



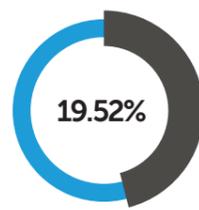
**Social interaction**



**Sick pay and paid holidays**



**Being able to 'switch off'**



**Delegating admin tasks**



On average I work from 8am to 12pm. I do take a few hours between 5pm and 8pm to spend time with the family to have dinner and find out how their days have been plus I read my daughter a bedtime story. So if you take that and add roughly 6-8 hours over the weekend you get to roughly 73 hours a week! 40 hours was the max for me as an employee, so it's interesting to see the difference. It's funny how you choose to be self-employed for flexibility yet end up working double the hours.

From Sam Boothroyd, The Small Business Coach

## Section 3

# How to future proof and keep your talented workforce

Although we're far from sounding the death knell for Big Business, it does appear that there's a widening gap between the benefits of working at home and the laborious journey to the office – and many reasons why 85% of respondents feel they're better off in their home business. As home working and business owning becomes a more aspirational lifestyle, what are the ways in which employers can keep employees happy?

## Flexible working

With almost a third (30.48%) of people running a business from home in order to better suit their schedule for childcare, it makes sense for employers to offer their workers the option of a more flexible schedule.

A Labour Force Survey published by the Office for National Statistics (ONS) in 2016 shows that 2.9 million people in the UK are employed with flexible working hours. Presumably this offers employees a late start or an early finish to better manage their own schedule. A further 1.4 million people work during the term time only – this will include the national educational workforce but also those who may need time off to cover childcare. Along with other considerations including zero-hour and on-call contracts, the UK's flexible working contracted workforce is currently 7.3 million strong.

## Telecommuting

A fifth of those who set up their own business did so only to kill off the dreaded commute. And with the TUC estimate that one in seven workers faces a two-hour commute every day, it's understandable. As technology continues to advance, employers can't be expected to put workers through the stress of commuting every single day when they can just as easily do their work, communicate with colleagues and even take meetings remotely.

A study by PowWowNow shows the potential of telecommuting as a strong employee incentive. Not only do 67% of workers wish they were offered it at their job, but 40% would rather have the opportunity to work from home than a pay rise.

A long commute can seriously disrupt the work/life balance of employees. Which is why bosses should consider making this an option, at least one or two times a month, so they can better manage their schedule.

<sup>8</sup> <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/adhocs/005248peopleinemploymentwithaflexibleworkingpatternbygender>  
<sup>9</sup> <https://www.theguardian.com/money/2016/nov/18/daily-commute-of-two-hours-reality-for-37m-uk-workers>  
<sup>10</sup> <https://www.powwownow.co.uk/smarter-working/flexible-working-statistics-2017>  
<sup>11</sup> <https://hbr.org/2012/07/why-top-young-managers-are-in-a-nonstop-job-hunt>



## A defined progression path

If employees aren't satisfied with the route their company tenure is taking, they may be swayed to thinking about the chance to run their own company. The pressures are enormous but the thrill of being their own boss was apparently enough to make 26.49% of respondents take the plunge.

A study by the Harvard Business Review showed that, in aspects like training, mentoring and other career development, there's a gap between what the employee wants and what their employer provides. A vicious circle starts to happen, where those who are sufficiently trained will leave, which means that employers decrease their commitment to development so that people stay.

Employees who want to take on more responsibility and aren't being given the chance to prove themselves are the ones who need a clearer idea of where they're heading within the company ranks. That's why it's important to set clearly defined progression goals so they know where they stand.

Homepreneurship isn't just about talented individuals who want to take a shot at building their own business empire – it's also about how they stand to benefit by leaving the regular 9-5 existence. Companies which show their employees some flexibility and offer them the chance to develop are the ones that have a better chance of retaining the best talent.



**“With homepreneurship becoming a more aspirational career path, we wanted to reveal whether biting the bullet and launching your own business was satisfying and rewarding. It's interesting to see that despite the hard work and risk, the majority of home business owners are feeling happier and more fulfilled.” “Money doesn't always motivate people the way happiness and appreciation in a career can, which is something companies should take note of if they want to retain employees,” he adds.**

– Aron Priest, Co-Founder at Solopress

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