



Modern Student Business

THE NEW CO-WORKER

A degree from a UK university used to be a cast-iron guarantee for a high-earning job. But shrinking job prospects and uncertainty on the European and world stages are causing more students and graduates to rethink their long-term career plans.

To find out more about their attitudes towards the ambiguous future and to assess their prospects, we surveyed students and recent graduates. Staggeringly, it revealed that **more than half** (56%) of those studying at university have considered setting up their own business, whether in a full-time capacity or as a freelancer.

It's an encouraging indication of the talent within our higher education system. Even at this early stage of their professional lives, so many university students and graduates are forging an independent path for themselves by going into business all on their own.

One day I would like to own a company with staff	25.29%
I will consider going freelance or doing contract work eventually	22.71%
Yes (other)	8.26%

Previously, the post-uni plan would see students take up roles offered on graduate schemes at companies across the UK. And while that's still the goal for 33% of those we surveyed, statistics reveal a wrinkle in the labour market.

More than **half a million people graduated from UK universities in 2015**. Yet they were vying for a mere 20,000 graduate roles available from the Times Top 100 Employers list. Even more worryingly, a 2015 government report found almost one in three graduates (31%) are not working at a high enough career level to suit their newly-qualified status.

Taking these sobering statistics into consideration, it's small wonder that so many UK graduates are looking to set up their own business. With employers seemingly less keen to train up the new generation of emerging talent, students are carving their own niche and creating opportunities for themselves much sooner after graduation than many would originally intend.

If statistics continue to demonstrate a lack of graduate jobs, will many people feel it's worth getting a degree in the near future? What can businesses do to attract talent and compete with the attitudes of the self-starter?



WHY STUDENTS AND GRADUATES ARE CHOOSING TO LAUNCH BUSINESSES

Graduate schemes can seem pretty daunting when it comes to application time. And by many, they're seen as competitive routes of entry into enormous corporate entities.

While for some, a graduate scheme can be the ultimate career springboard, for others, it's two years of being trained as little more than an admin worker or coffee maker. Only 33% of those we surveyed want to apply for graduate schemes. Which shows that seemingly more of us are willing to explore alternative career routes than ever before.

We surveyed students and recent graduates on the main reasons why they wanted to start a business.

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Main reasons for considering starting a business

I think I would make better money than being in the workforce	36.47%
To be my own boss	45.18%
Flexibility to work my own hours	47.25%
To get a better work/life balance	28.21%
I don't think businesses have my best interests in mind	6.65%
If I couldn't find a decent graduate job	3.90%
Other	3.44%
Not sure yet	2.52%

The flexibility to work their own hours (47%), being their own boss (45%) and an opinion that they would earn more money by setting out on their own (36%) were the most popular reasons for students starting their own business or freelancing.

Crucial for most is the ability to determine their own schedule. Graduate schemes have failed to shrug off their reputation for fixed 9-5 working hours. Now, students crave the freedom of setting their own working day in the hope of achieving a better work/life balance.

It's something more than 25% of those surveyed desire, with the belief that an entry-level industry role would struggle to provide the flexibility they would like.

Money of course is always going to sway people's career choices. And with an average starting salary between **£19,000 and £22,000 for graduates**, 36% of people we surveyed reckon they can make more per year by starting their own business.



Miles McKinlay, owner of Miles McK Shirts opened his business while studying in 2017. He says,

"The most rewarding thing about launching a business so young is that it shows that you are a driven individual. There's nothing like shaking hands with someone and closing a deal for a company you started. You appreciate the money even more than ever because it's as you have had to work hard for it. And you personally have earned it."



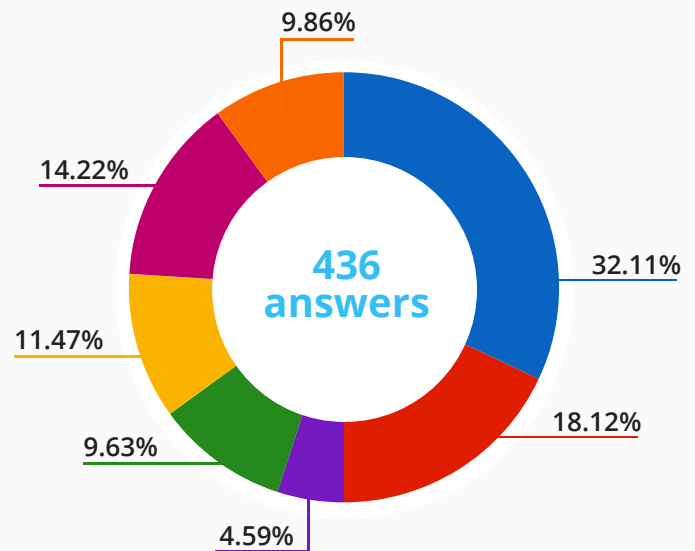


2 EXPECTATIONS AND EFFECTS ON THE UK ECONOMY

Kick-starting the process of starting a business or going freelance doesn't always begin in a student's final year at university.

In fact, a tremendous amount of thought goes into the research and planning from as early as the first year of their degree according to our survey, with nearly a third (32%) considering beginning a business in the first 12 months of university.

When do students think about starting their own businesses?



Other aspects of setting up a new business or going self-employed have been thought out in advance, such as how much it'll cost to get set up and where they'll source the money from. On average, prospective graduate entrepreneurs are willing to spend £8,447 on starting up and more than three-quarters (78%) are prepared to dip into their own savings to do so. Nearly a third (33%) would seek financial assistance from investors, while more than 20% would rely on the bank of mum and dad to help them out.

Those heading into a role within another business would expect an average salary of £21,554 within the first year of employment. Yet, 36% of those surveyed believe they can make more than that on their own. Graduates are giving thought to

their careers a long way down the line, too. Asked what they expect to earn in 20-25 years' time, the average of £47,379 varies wildly depending on the role. Those in medicine and dentistry fields expect to command more than £75,000, while nurses and midwives would hope for around £33,000.

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It seems clear that graduates can project an idea of their own value over time and are becoming more confident in doing so when businesses aren't prepared to cast their nets wider for the right hire. With a shrinking graduate job market and a wealth of accessible technology available, there's already been signs of a fundamental shift in attitudes toward the typical working week.

The good news is, work-life balance is beginning to head in a more comfortable direction, not just in the UK but across Europe. But for employers bound by large organisational restrictions, it's bad news. They're set to miss out on the next generation of hot new hires who have had their heads turned by a self-created flexible set-up. Starting a business for themselves, or simply going freelance, promises greater control of workload, favourable working patterns and potentially, more money.

As the internet boom of the early millennium showed, employers can be slow to accept the changing pace of business, causing a swell of brand-new companies to Hoover up the new

The end of the rat race?

French workers granted legal right not to check email out of business hours

Only 1% of Swedish workers are in the office more than 50 hours a week

13.9% of UK workforce works from home, the most since records began in 1998

generation of talent. More traditional businesses need to listen to the demands of new prospects in order to earn their loyalty and happiness at work. If not, the effects can be alarming, as our economist reveals.



Carl Reader, Author of "The Startup Coach" says:

"In recent years we've seen a record number of businesses launch and it's a positive change we should embrace. Business owners are generally more motivated than employees, and provided that students/graduates have access to the right guidance and support, there is no reason why they can't be successful – and their success after all, is the economy's success."



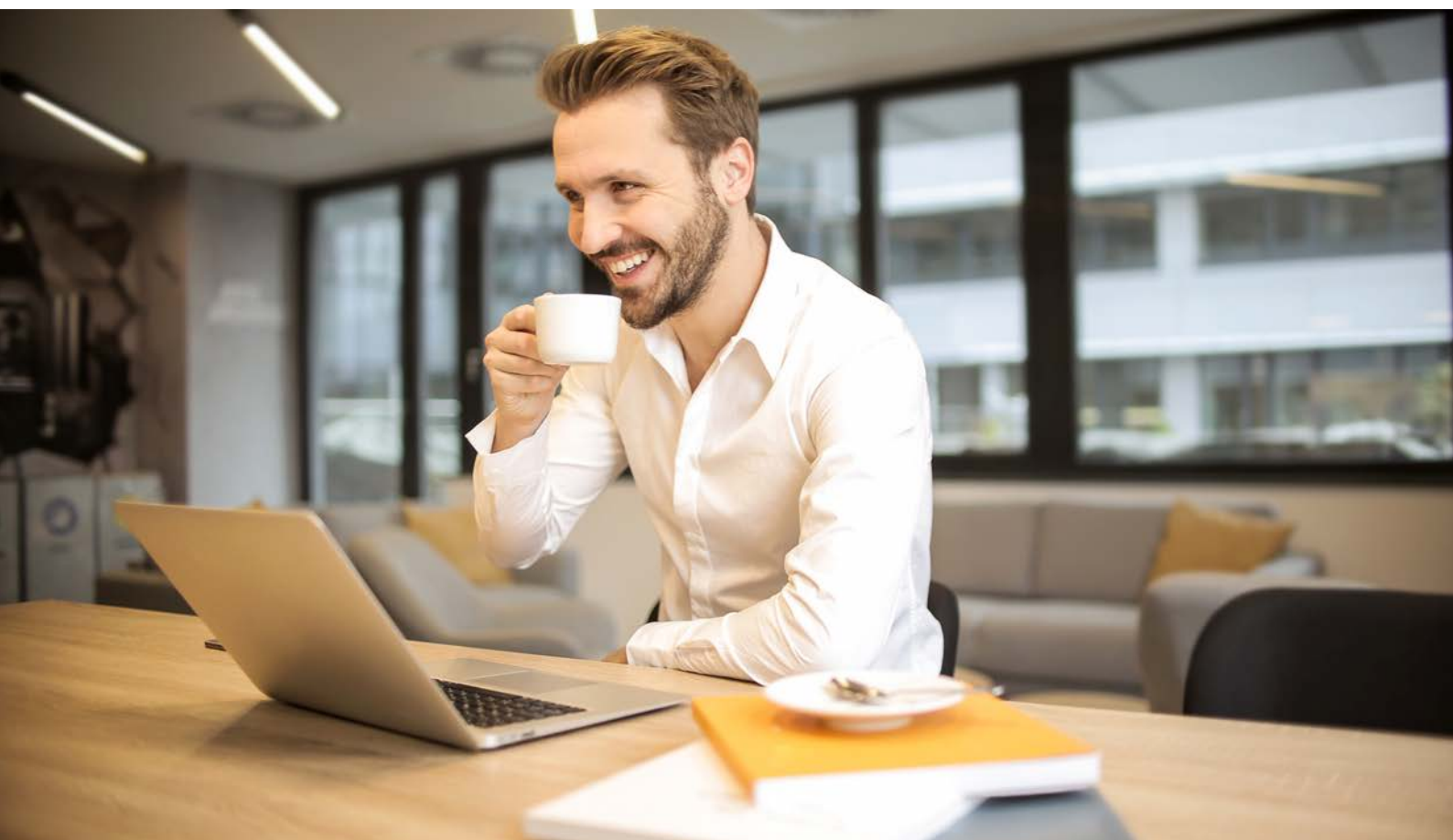
HOW TO BRING NEW TALENT INTO THE WORKFORCE

As student businesses become more commonplace, what can employers do to keep employees happy?

We asked students what companies could do to strengthen their offering and keep talented grads from going it alone.

Although money was a concern to 55% of those surveyed, greatest emphasis was placed on graduates being taken more seriously by companies – 64% felt this more important than anything else. More than half also want companies to create roles more suited to graduates and their development – a very important step when considering the bulk of tasks implemented into graduate schemes don't maximise the skill set on offer.

Almost half of those surveyed (48.15%) want a better work/life balance. With long commutes, long to-do lists and a sense that their free time is under threat, graduates would increasingly turn to the freelance life in order to set their own schedules and leave time for the things they enjoy. From the results we've gathered, plus some expert insight from Miles McKinlay and Carl Reader, consider the following tips the next time your business needs some new blood, to see if you can snag the right applicant for the right job.



Creating the right roles for graduates

Redefine the 'graduate role'.

Having a catch-all phrase to describe your entry-level graduate roles may be an easy enough proposition for recruitment, but you need to redefine the role in order to attract the most suitable talent. Provide a full and detailed description of each available role, with KPIs and goals that are SMART (Specific, Measurable, Attainable, Relevant and Timely). That way you can measure their progress and set new challenges along the way. Benchmark your salary structure against similar roles within the same industry to ensure employees are compensated fairly.

Offer flexibility.

A workforce that operates completely independently of the office is unrealistic for most businesses. That said, allowing some degree of freedom over schedules, remote working and the occasional early finish or late start can be an effective way to attract talent – even more than the salary.

A 2017 survey showed that almost a third (30%) of employees would take a flexible working pattern over a pay rise if asked to choose one or the other.

Rethink office culture.

You don't need to install a bouncy castle in the office to get your workers buzzing about workplace culture. But putting some thought towards a place where employees would happily spend their time without feeling chained to their desks can be a promising prospect.



Aron Priest, cofounder at Solopress says:

"UK businesses really need to get to grips with what will motivate younger people to stay in the workforce. Adapting and evolving their companies to have more flexibility while supporting the entrepreneurial nature of students is essential to keep them focused at work. It's time to take notice and start making changes."

Before the next budding entrepreneur decides to ditch big business in favour of going it alone, put some of these ideas into action.

Redefine the way your business is viewed by the outside world and that same sense of enterprise could allow new prospects greater freedom to make their mark on the industry under your umbrella rather than their own.

Sources:

1 <http://nationalcareersweek.com/considered-contracting-graduate/> 2 <https://www.theguardian.com/commentisfree/2016/may/03/the-guardian-view-on-graduates-and-employment-degrees-but-not-destinations> 3 <https://www.graduate-jobs.com/gco/Booklet/graduate-salary-salaries.jsp> 4 <https://www.theguardian.com/money/2016/sep/02/uk-graduate-jobs-market-shrinks-by-8-since-2015> 5 <https://www.theguardian.com/money/2016/dec/31/french-workers-win-legal-right-to-avoid-checking-work-email-out-of-hours> 6 <http://www.bbc.co.uk/news/business-34677949> 7 https://orca.cf.ac.uk/104239/8/Felstead%20and%20Henseke_NTWE_2017.pdf 8 <https://www.powwownow.co.uk/smarter-working/flexible-working-statistics-2017>