### SESSION PLAN

**COURSE:** ABE Level 2 Award in Setting Up Your Own Business

**ELEMENT:** Element 1 – Self-employment as a career choice

## **LEARNING OUTCOME 1**

**Understand the benefits and drawbacks of self-employment based on individual personal circumstances and needs**

1.1 State the benefits and drawbacks of being self-employed based on own personal circumstances

1.2 Identify own skills and qualities to manage self-employment

**NUMBER OF SESSIONS:** Two - approximately five hours in total

**SESSION TOPICS:** Session 1: Benefits and drawbacks of being self-employed

Session 2: Skills and qualities to manage self-employment

**Note to tutors: This is the recommended session plan for Learning Outcome 1 of Element 1 of the ABE Level 2 Award in Setting Up Your Own Business. You should follow the plan, using the resources (referenced as ‘slides’ here) and activities provided. It is important to enhance all sessions with local examples and case studies, involving the learners ACTIVELY wherever possible.**

### SESSION 1: Benefits and drawbacks of self-employment (2-3 hours)

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| **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| Introduction to session and learning outcomes | Use file: **RESOURCE Element 1 LO1 Benefits and Drawbacks of self employment.pptx**  Learning outcomes 1 | 1-4 | In small groups, learners should discuss their individual reasons for considering self-employment as a career choice and present their findings to the rest of the class |  |
| Why choose self-employment? | Draw up a list of reasons for individuals choosing self-employment as a career choice from the learners’ feedback and compare with reasons shown on slide 5   * Desire for entrepreneurialism * To be one’s own boss * Inability to find stable, reliable employment * Achieve a work/life balance | 5 |  |  |
| Self-employment in different regions of the world | Explain how research by Gallup 2013 has shown that self-employment is more common in countries with poor economic growth than those with stable, economic performance.  Background information to Gallup’s poll can be found at <http://www.gallup.com/poll/175292/nearly-three-workers-worldwide-self-employed.aspx>  *“....... self-employment may be born more out of necessity than opportunity.”* Gallup 2013  Discuss self-employment rates in different regions of the world from the graph on slide 7  Useful website: <http://data.worldbank.org/>  <http://databank.worldbank.org/data/home.aspx>  Also own government websites | 6-7 | Using the internet, in class or as homework, learners should carry out individual research into self-employment in own country and note some key statistics. For example:   * The most common roles for self-employment * Percentage of workforce that are self-employed * Rise or fall in self-employment |  |
| What is self-employment | Ask learners to define what ‘self-employment’ means to them.  Self-employment may be defined as: *“Someone who works but is not employed by an employer. They find their own work rather than being directed by someone else.”*  Outline the various terms that are used in conjunction with self-employment and explain key features of each term   * Sole proprietor – also sole trader. Defines the legal structure of the business. Retailers, taxi drivers, hairdressers * Contractor – supplies materials, goods or services to someone else for an agreed price. A contractor may have one or more clients/customers. Plumbers, builders, cleaners * Freelance – similar to contractor. Used widely in the artistic and creative field. Journalists, photographers, artists, writers * Working from home – contracted for specific job or assignment carried out at home. Child-minding, direct selling, online tutoring * Other terms used in some countries include informal entrepreneur, own account work | 8-9 | As individuals, learners should define what ‘self-employment’ means to them. |  |
| Maslow’s Hierarchy of Needs | Explain the five stages of Maslow’s Hierarchy of Needs giving examples of needs at each stage.   * Basic needs – food, air, shelter, warmth * Safety – security, stability, protection * Belonging – relationships with others * Esteem – independence, status, reputation * Self-actualisation – personal growth, self-fulfilment   Explain how movement through the stages of the hierarchy may be both upwards and downwards. For example, a person threatened with redundancy will become less concerned about relationships with work colleagues and more focussed on protecting themselves and their family.  Compare the specific needs of an individual and a self-employed individual from the image provided. | 10-11 | As individuals, learners should make a list of items that give them personal happiness. Such items may include but are not exclusively:   * Being part of a team * Health * Learning * Routine * Adventure * Travelling * Family * Creativity * Helping others   Learners should then prioritise their list in order of importance to themselves. |  |
| Features of employment | Explain the following benefits an employee might generally expect from their employer:   * Income – secure income weekly or monthly * Holiday pay – specified paid number of annual leave days per year * Sick pay – continued pay if unable to work due to sickness * Healthcare – some provide access to health care treatments and high standards of care * Pension – some provide occupational / workplace pensions into which the employer contributes | 12 | As individuals or in small groups, learners should research employment benefit features in own country. For example: annual leave entitlement, sick pay, access to occupational or workplace pensions.  Discuss as a class the difference an individual may expect between being employed and self-employed in terms of these features. |  |
| Autonomy of self-employment | As a class, discuss how working as self-employed may bring greater autonomy and choice in terms of working activities.  Compare findings with those shown on slide 13   * Flexibility and choice * Self-esteem * Job satisfaction * Control over work * Realisation of an idea | 13 | As individuals, learners should rank the identified benefits of self-employment in terms of their own preferences and expectations. |  |
| Sources of advice | Explain the various sources of advice available to self-employed individuals.   * Professional sources: accountants, solicitors, financial advisors * Business networks: chamber of commerce or trade, LinkedIn * Family and friends * Other self-employed people: locally, The Freelancer Club, etc * Business coach | 14 | Learners should complete the formative assessment individually. | Activity 1- Element 1 LO1 – Meeting the needs of individuals – benefits and drawbacks of self-employment |
| Review of session and learning outcomes |  |  |  |  |

### SESSION 2: Skills and qualities to manage self-employment (1-2 hours)

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| **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative assessment** |
| Introduction to session and learning outcomes | Use file: **RESOURCE Element 1 LO1 Benefits and Drawbacks of self employment.pptx**  Learning outcome 1.2 | 15 | In small groups, learners should discuss and identify the skills and qualities a self-employed individual will need and present findings to the rest of the class |  |
| Personal skills and qualities | Compare learner findings with those listed on slide 16 as below:  To succeed, a self-employed individual will need:   * Motivation * Hard work * Willingness to learn * Realism * Focus | 16 | As a class, discuss why these skills are important to a self-employed person. |  |
| Business skills | Explain the need for business acumen to run a business successfully and why the following business skills are important.  Entrepreneurs also need business skills in:   * Bookkeeping * Marketing * Sales * Business development * Customer management * IT * Administration * Time management | 17 | In small groups, learners should draw up a list of business tasks or activities that might fall into each category. Share each list with the rest of the class.  Discuss which of these tasks or activities may be outsourced to experts and why. |  |
| Psychological impact of self-employment | Explain how Self employment can create additional pressures due to:   * Irregular income * Work overload * Long hours * Reluctance to take time off * Isolation   Outline some strategies for dealing with pressures:   * Learn to budget * Know your limitations * Network with others * Take time off | 18 | Learner should complete the formative assessment individually. | Activity 2 - Element 1 LO1 – Skills and qualities to manage self-employment Part One and Part Two |
| Review of session and learning outcomes |  |  |  |  |

## **LEARNING OUTCOME 2**

**Demonstrate an awareness of the legal responsibilities of being self-employed in the local environment**

2.1 Outline the legal responsibilities of self-employment as a sole trader

**NUMBER OF SESSIONS:** One - approximately two hours in total

**SESSION TOPICS:** Session 1: Legal responsibilities of being self-employed as a sole trader

**Note to tutors: This is the recommended session plan for Learning Outcome 2 of Element 1 of the ABE Level 2 Award in Setting Up Your Own Business. You should follow the plan, using the resources (referenced as ‘slides’ here) and activities provided. It is important to enhance all sessions with local examples and case studies, involving the learners ACTIVELY wherever possible.**

### SESSION 1: Legal responsibilities of being self-employed as a sole trader

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| **Approx.**  **Duration** | **Topic** | **Tutor Activity** | **Slides** | **Learner Activity** | **Formative Assessment** |
| 1-2 hours | Introduction to session and learning outcomes | Use file: **RESOURCE Element 1 LO2 Legal responsibilities of being self-employed.pptx**  Learning outcome 2.1 | 1-3 |  |  |
| Legal responsibilities of sole proprietor | Introduce the key features of sole proprietorship   * Legal structure * Financial responsibility * Legal responsibility * Unlimited liability   These features are discussed in further detail on slides 6-9 | 4-5 |  |  |
| Legal structure | Outline the main points of sole proprietorship as a legal structure as follows:   * No legal distinction between proprietor and the business therefore the proprietor is the business * Simplest form of business structure, * Limited legal formalities, easy to set up * No requirement to register the trading name * Cannot raise money through the sale of shares, usually funded through own savings, money * Harder to attract outside funds from banks etc, lending based on individual’s credit history   Tutors may wish to highlight and discuss other legal structures such as partnerships, limited companies and public limited companies however specific knowledge of these is not a requirement of this programme | 6 |  |  |
| Financial responsibility | Outline the financial responsibilities of sole proprietorship as follows:   * Must maintain records of income and expenditure for taxation purposes * All business profits pass to the sole proprietor (after tax paid) * Must submit a personal tax return each year * Only business expenses are allowable against tax, personal expenses cannot be set against business income | 7 | As individuals or in small groups, find out the current rates and allowances in terms of personal taxation in your own country and feedback findings to the class. |  |
| Legal responsibility | Outline the legal responsibilities of sole proprietorship as follows:   * Sole responsibility for the business and its activities * Fully responsible for the actions of any employees whilst carrying out business activities * Personally liable for any injury caused through your (or your employees) negligence or accidents on your premises | 8 | In small groups, discuss the implications of being liable for damages or compensation and the impact that it might have on the sole proprietor and the business. Share findings with the class. |  |
| Unlimited liability | Explain the meaning and implications of ‘unlimited liability’ as follows:   * The sole proprietor is personally responsible for any losses * The sole proprietor’s personal possessions may be seized to pay debts and money owed to others   Tutors may wish to discuss how this differs from other legal structures such as partnerships, limited companies and public limited companies however specific knowledge of these is not a requirement of this programme | 9 | In small groups, discuss the impact of unlimited liability for own business idea if financial commitments cannot be met. Share findings with class |  |
| Insurances | Outline the purpose of insurance to protect the sole proprietor and the business against loss. Explain how some insurances may be required in addition to those that protect vehicles, premises, health, contents, life etc  Discuss the various insurances that made be required for different businesses. Such as covering:   * a business if a customer or individual suffers loss or injury as a result of business activities - Public Liability Insurance * against claims that arise from an act, omission or breach of professional duty - Professional Indemnity Insurance * against claims made by employed who are injured or become ill as a result of their employment - Employer’s Liability Insurance | 10 | As individuals, in class or as homework, learners should investigate the required insurances for own business idea.  Learner should complete the formative assessment individually. | Activity 1 - Element 1 LO2 – Legal responsibilities of self-employment Part One and Part Two |
| Review of session and learning outcomes |  |  |  |  |

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