

It sounds mad I know, but I'm really beginning to think that all the scary talk of public sector spending cuts is hiding a wealth of business opportunities. Of course if you currently work for the government in some way or other you won't necessarily see it that way at the moment. You'll be focused on your pension, next month's mortgage payment and the terrifying disruption that threatens your comfortable work routine.

I was sitting in a public Governors meeting of my local Mental Health Trust when the penny dropped. The discussion around the table had turned to the issue of the anticipated 20% cut funding that the Trust would have to cope with over the next few years. 'But that equates to around 500 jobs,' exclaimed one concerned member of the public. She had done her sums and wanted to know how front-line services could be maintained at an effective level in the face of a seemingly inevitable downsizing.

The reality of course was unlikely to be as Draconian as she feared. In fact had she been of a more entrepreneurial disposition she would have spotted a hidden opportunity. Budget cuts drive innovation, particularly in my view in the public sector. Inefficiencies and Spanish practices are exposed, challenged and conquered quickly when it looks like the money is running out. You might think it controversial, but I actually think that bureaucratic organisations need the shock of funding reduction to become more enterprising.

So what does this mean to you? Well if you run a small business and you contract with the public sector now is the time to suggest new ways of working. It really is a case of taking control today, because tomorrow might be too late. You need to make the running and suggest ways in which you can work more efficiently and effectively to deliver them better value for money. Identify the inefficiencies in their processes and systems and suggest how you can take on more responsibility and give them a cost saving.

Direct payments are also flavour of the month, putting the buying power with the service user who chooses the support they want, rather than having to accept what the funder has decided they need. Again the opportunity is huge because instead of tendering for an 'all or nothing' contract you simply have to encourage as many service users as possible to specify and buy your service.

But perhaps you do not yet have a business of your own. Perhaps you have picked up this magazine at the newsstand because you are worried about your job. Perhaps you are wondering if starting a business is really for you? What advice can I offer you as you wrestle with the equally alarming threats of redundancy and self employment?

The first thing to say is that you are not alone. This year more than 400,000 people will start a business here in the UK. Many will be confident, feel prepared, be assertive and have every expectation of becoming a millionaire. For the rest of us the outlook is more of a roller coaster ride. Many businesses never grow big enough to employ anyone but their founder. Most provide a secure income and a level of job satisfaction that is unachievable in paid employment. So let's get real.

If indeed you are faced with the opportunity of leaving the public sector with a healthy redundancy cheque you may overlook the simple fact that your former employer could become your first client. I found this in the last recession when the company that made me redundant spent more money with me as a supplier in two years after I left, than they paid me in salary as an employee for the same period of time.

Think about the job you do and how you would go about it as a freelance contractor. Working from home, without all of the associated overheads of organisational life you will be surprised at how you can carry on doing the work you have done before, charge a respectable fee and still give your former employer the cost savings they seek.

It is not usual for whole teams to come to this the same conclusion and opt out of the organisation. This gives the flexibility to work with a range of clients, not just the one that currently pays them a salary. Now think about the move away from block provision of public sector services to direct payments to service users. Can you see the opportunity now?

The NHS has already recognized the value of encouraging service delivery teams to form social enterprises. They are even recruiting specialist consultants to help people make this transition. What's more some of the employment benefits enjoyed as a public sector employee can be protected when you emerge as a social entrepreneur. This creates a fantastic opportunity to take control of your career, deliver the kind of services you are convinced are needed and enjoy the satisfaction of winning over tomorrow's budget holders, the service users themselves.

The good news is that you do not have to make this transition on your own. There are Enterprise Agencies that can help you. They provide independent, usually free advice. You can find your local one by visiting www.nfea.com.

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