

- ▶ Making the Change
- ▶ Which is Best?
- ▶ How do I Become a Contractor?
- ▶ A Few Other Matters
- ▶ CV Writing Services - Waste of Money?
- ▶ Hot Jobs
- ▶ Website
- ▶ Blog

Welcome

A big welcome to our October 2007 Tip-Offs (Issue 22 of Project Management Tipoffs), the newsletter from Arras People which concentrates on project management and careers.

Most of us have forgotten our summer holidays by now however you may remember some things that came to mind when you were sitting on that beach.

Those two weeks away from the constant buzz of work leads many of us to consider other avenues. Whilst some are content to look for new scenery many more consider the more radical change between contract and permanent employment. We receive many calls each month from candidates asking how they can make the switch.

So to save us repeating ourselves, we will concentrate this issue of Tipoffs by examining the areas surrounding this change and focussing on some of the things you will need to consider.

There is no way that we can answer all your questions but we are aiming to provide you with some of the questions that you will need to ask yourself. If you have anything to add to this view, or something to say on any of the issues covered then why not visit the [blog](#).

The [Arras People Survey of UK Project Managers 2007](#) saw significant drops in the number of permanent employees over a five-year period. This was in a period when tax efficiency was being exploited by a number of loopholes that have and are likely being closed ([see the latest Pre budget statement discussion – at JSA](#)) and many people were looking for a lifestyle change.

Our survey also showed that whilst salaries had increased for permanent staff, the increased income from contracting was perceived as a significant inducement. We have dealt with several candidates throughout the year that feel that the financial benefits are no longer there and they may as well be permanent employees. Only time will tell if this view will gain popularity.

U-Switch - Making the Change



Making the Switch from Permanent Employment to Contractor - and vice versa.

Is the grass always greener on the other side?

Whatever your work status - an interim contractor or full time employee - each may envy the other's position!

The interim or contract person is likely expendable and does not necessarily have to live with consequences of the changes implemented, or bring the person in for a fixed term and see if we like them before offering fulltime!

They may be a replacement accountant to cover an absent full time employee, an additional project manager to deliver a specific one off project or a specialist company doctor assigned as a change catalyst for a strategic corporate programme.

New roles

New Roles at Arras People



[Visit the Job Board for further vacancies](#)

What is a contractor or an employee?

By interim or contractor we mean someone brought in to fill a gap, or provide expertise for a fixed period at any level within a company. An employee on the other hand is salaried, a permanent member of staff whose role is a constant requirement of the employment organisation.

IR35

- IR35 was released by the Government in March 1999 to counter the ever-increasing number of subcontractors hiding behind limited companies in order to avoid PAYE and NI costs.

- The aim of IR35 is negate any financial advantages an individual might achieve by working through a limited company but at the same time not truly being self-employed.

- You must prove yourself employment case or you

This person, undertaking one of these types of assignments may be trading as a sole trader, through his or her own limited company or on their client's payroll under PAYE.

In the position of an interim or fixed term employee on PAYE you are for sake of argument an employee, you will be accruing holiday and your employer will be paying both employers and employees NI, plus income tax all pro rata for the fixed term of your employment.

In the same position as an interim contractor, you have a contract between your client and your Ltd Company or yourself as a sole trader whereby you are responsible for ensuring payment of all PAYE and NI, plus other considerations such as tax pensions and insurances. The implication here is the difference between a day rate that includes or does not include for example NI and holiday payments.

A full employee is paid an annual salary and the employer is responsible as above for all the same items as for an interim employee. A full employee is likely to receive more company benefits than an interim, i.e. pensions; however the interim salary is likely to be higher than the permanent employees in recognition and to attract the best

Which is Best - Contract Or Employee?

In essence, you have a lifestyle choice to make – what suits you to meet your needs? What might you expect?

Contractors' work-life balance

Are you prepared to spend:

- 1/3rd of the year looking for work – Can you handle it?
- 1/3rd of the year on a beach – Ideal eh!
- 1/3rd if the year working – delivering the bacon £\$£

Don't forget that the 1/3rd of the year looking for work may come twice i.e. back to back; imagine 8 months looking for a role? And the sods law element, planned holidays (on the beach or other wise!) will happen when your contract is running or about to start.

So are you ready to forgo your holiday because the contract work is available?

Contractor holidays are generally not paid – when you go on holiday so does the earning. Most contractors will have forgone, started late or finished early their annual holiday or at least weighed up in their minds the cost of that holiday – no income and using invoiced money to pay for it. You have to think in your rate calculation how you plan in holidays as well as paying the tax man and all you other bills over the cycle of a year.

Also, it could be 90 days before you see payment of your first invoice for your first months or weeks work.

Higher risk equates to higher reward with likely greater variety in assignments and companies to work with. Or you may take the opportunity to pass on variety and become the expert in one area at a single company – and yes nearly forgot to consider the challenges of IR35!

How Do I Become a Contractor?



The vast majority of project managers we meet have been at one time a full time employee.

As an employee, they have taken the contractor route usually after working along side contactors and being impressed by the earning power and perhaps the

will be caught by IR35 rules

> [Information referenced from Global also see starting contracting](#)

U-Switch

The choices, as we see them, that you should be considering when making your decision - as we see them!

"U Switch" to being a contractor

- Be brave - Hand in your notice and take that first step having identified your network for finding a contract role and creating your contacting vehicle – while making sure you do not compromise your employment contract through your notice period.
- Be smooth - Discuss your thoughts and ideas with your current employer how you might transfer from employment status to contract
- Be lucky - apply for a contract position and take it up when you are out of notice perhaps trade holidays not used for an earlier leaving date and therefore start but again ensure you clear this with your employer first to avoid any conflict of interest
- Can you act as a business not an employee; think professionally!
- Stay on as Permanent – do you really want to make the change?



romantic idea of working when they want.

An event or tipping point often occurs that pushes someone to contracting for example redundancy or the need to maximise incomes. Redundancy is

particularly useful as this often provides the cushion required to get started.

We are often asked about becoming a contractor. If you are in full time employment it is difficult, as most contract positions are required immediately to fill a skill gap.

Availability is important and the client is unlikely to want to wait until you have gone through the process of working your notice period of a month or more. Contactors are taking a risk as they are effectively bidding for a piece of work over a fixed period of time. If they do not win that bid they may be short of work.

Do you have the right skills? Are you master in you area? Is there a demand for your skills? What is your Unique Selling Point? What does the market want now and what will it want?

Finally, as a contractor what price to promote yourself at? Too high or too low and you can miss your target role.

Finally a Few Other Things to Consider

In summary most good contractors are looking to develop themselves by taking on new challenges in different market sectors or for example working with new technology or business processes. You can still have a career which helps job satisfaction.

Do you have business acumen? As a contractor are you prepared to be disciplined about timesheets, invoices and record keeping? Also, get an accountant and don't forget you are likely to have to register for VAT and they may visit and inspect your accounts!

Some things to consider when setting up a contracting company - in essence you are establishing a small business.

- Company set up – registration, directors, company secretary
- Accountant - to keep you inline and ensure you pay yourself and the tax man
- VAT registration - there are stipulations as to when you must be registered
- References – 1 or 2 work references plus a character reference are important to have.
- Go to market plan – how will you sell yourself and to who - what is your unique selling point? In a competitive contractor market you need that edge
- Invoicing and Expenses process - unlike most salaries, invoices are not always paid on time!

Contractor Information Available:

- > [ContractorUK](#)
- > [Professional Contractor Group](#)
- > [Companies House](#)
- > [Revenues and Customs](#)
- > [Contractor Calculator](#)

"U Switch" to becoming an employee

- Suddenly you have responsibility – twins on the way?
- Want to relax a little – ready to just take the salary!
- Irregular income not good enough to get you a mortgage
- You don't like ambiguity, you need certainty
- Don't like *not* being invited to company events
- Want a structured career
- Like to see things through to completion
- In a current contract look for the opportunity to switch from temp to perm, don't forget if you have an agency keep them in the loop as costs may be involved and your new employer won't want any surprises when he takes you on.

> A view from the USA an additional 8 reasons for becoming contractor courtesy of Wise Bread.

[> 8 good reasons to become a contractor](#)

... Then Go Contracting

If you are comfortable:

- With the situation of no salary next month and the month after
- To adapt to

CV Writing Services - God Send or Rip Off?

Everyone knows how important the CV is when looking for a new job and one of the biggest concerns people have - is mine good enough?



It's one of the most difficult things you'll have to write - you're writing (and blowing your own trumpet) about your skills, experiences, capabilities, personality, education, work history, achievements - and sharing your personal details with strangers!

During our [project management careers clinics](#)*, we're often talking to people who need that extra help in planning their next steps career wise and the question "does my CV reflect what I've just told you about myself?" is often asked. Normally the answer is no! And it's disappointing then to learn that they've just spend money on a CV Writing Service to help them produce a job-winning CV! Hmmmm, so what's the advice?

CV Writing Services are generally good at producing a professional looking CV - if you've never had someone look at your CV professionally before you'll probably get a lot of benefit from this. The questions they ask are designed to draw out from you what it is you do, how you do it and where you were successful - fair enough!

What you'll also get is a CV that *looks* the same as everyone else's who also went to a CV Writing Service - similar layout, fonts, style etc. In relation to specific project management CV's there is often a level of detail missing - and this is the fundamental problem I have with a CV Writing Service - how can a CV Writer - who doesn't have a background in project management - be sure that they're asking you the right questions to ensure the right answers are drawn out and highlighted on the CV?

A specific example this week - a candidate looking to further their career in project office management - the CV did a great job of highlighting details about the project i.e., what the deliverables were etc etc. Unfortunately there was a lack of detail about HOW they performed their role - WHAT project management processes, tools, techniques they used, nothing to highlight their detailed experience in key areas such as risk management, resource management and planning. Nothing in there about HOW they were successful and WHAT contribution they made.

The basics of CV writing but surprising to see so many CV's professional written by third parties that are missing these basics.

If you're thinking about using a professional service to write your project management based CV think about the questions you need to put to them before hiring them:

1. Find out about their professional experience - what job did they do before? Professional copy writer or a business based role - even better - were they a Project Manager or similar?
2. Ask the question about the technique they're going to use to help draw out your project management experience - tell them what you want - I need to be able to demonstrate my excellent planning skills or team management skills etc
3. Be clear - or be in a position to be clear - about what you want your CV to do - "I'm looking for a project manager role in business consultancy" or "I'm looking for a project support role in the voluntary sector" - be realistic! Do you feel comfortable with the "promises" made - do you feel they understand what your role is all about - are intelligent questions being asked about your skills and experience in project management?
4. Feel comfortable - with the initial call or visit - if you're unsure walk away and find another service

- different organisations and situations easily
- To love and live with ambiguity
- To have the energy to organise a contract campaign
- To travel and work in different location across the UK every 3 or 6months
- To make your own Pension arrangements

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Become or stay Permanent

If you need:

- Fixed salary
- Perceived security
- Career development
- Managed destiny
- Not to be a book keeper as well as your day job

Tools, Techniques and Approaches - PPSOSIG



Materials from the conference are now available

For Further Information:

5. Talk to friends and colleagues - ideally also in the project management field - recommendations are the best way to do business.

> [Conference Materials](#)

Do It Yourself

- > [Project Manager Resume Help](#)
- > [Arras People's Guide to CV Writing](#)
- > [Business Balls](#)

Project Management Blog



How to Manage a Camel

We set up this blog to share with you what we at Arras and you are thinking, reading and hearing.

We will post reviews and comments for you to consider and have your 2 penny worth to share with the Arras Community

The last issue of Tipoffs featured a rant about the change to the PRINCE2 examinations - you also had your say:

> [See the comments](#)

Add your comments to existing posts or let us know about your **CV Writing experiences**

> [Visit the blog](#)

Hootin' for the Owls!

Project Management Careers Clinics

Our charity donation project management careers clinics have proved popular over the last 6 weeks. Feedback has been excellent, from one participant the clinic gave her *excellent CV feedback, excellent career guidance and has helped her to focus on effective job hunting strategies.*

If you'd like to sign up - the Three Owls Bird Sanctuary would be really grateful for their charity donation - they're currently trailing behind!

> [Project Management Careers Clinic](#)

> [Link to our Careers Advice page](#)

