

## **What are the qualities that we look for in our, around 100, hand-picked subscribing members of transformation-leaders.com?**

At the start of the documentary "Michael Jordan. To The Max"...Michael says:

*"People always ask me... What's the secret to being the best basketball player in the world? I tell them it's simple, you first have to fall in love with the game".*

*When you fall in love with something, practice no longer feels like practice. Work no longer feels like work. You start to live, breathe, eat and sleep the game -- you become obsessed.*

*The same is true in any business. Until work and play become one, you will struggle to achieve anything. Nobody thrives doing something they hate"*

### **1. Financial independence**

This is a crucial element. Our members suggest that it has to be around 18 months between one piece of revenue and the next. For, without sensible reserves, it is more difficult to **'speak truth to power'** to your client. The moment you become dependent on your project fee is the moment you can become compromised.

It can take some independents 'time' to reach this state. Or if you are fortunate, you may have already amassed such reserves. But like any company, personal resilience is a crucial element to buy 'freedom of action'.

Warren Buffet, who is no slouch at investing, is very cautious of private equity paradigms where all company reserves are stripped out of any target company and the management effort is entirely concentrated on 'performance', at the expense of 'resilience'.

The world is increasingly full of freelancers. Some numbers suggest that as many as 45% of those 30 million or so 'in work' in the UK are in fact **self- drive portfolio workers**. The balance are 55% PAYE and full NI conventional 'employees'.

The numbers of fine senior **independent** transformation leaders to able to help shareholders, chairmen, MD's or key board members lead a successful transformation is a **much more limited** group.

## 2. A 'must see' CV at board level. Or, as an experienced 'head of a department' in a large corporate.

The purpose of any CV is of course to get to interview for 'a project'.

A 'long CV' should be ideally **no more** than 3 pages. Indeed, it makes sense to have various iterations to reflect a particular project for which you are interviewing. It can make sense to engage independent experts to help you with this key document. We also advise a CV carries your professional image, top right. After all, your face is part of 'your brand'.

## 3. Strong ethical drivers.

We all know there are all sorts of leadership 'styles' needed, depending on the needs of a situation. But **integrity** is a key element to inspire trust in you by others. Board level projects usually demand a considerable 'duty of care'. And you naturally need to carefully agree the parameters of your project **in writing** with your client before you start.

## 4. Lifetime learning. A polymath

The speed of change nowadays is breath-taking. What worked five years ago may not be relevant for tomorrow. Whatever you 'core proven skills', you know that you need to develop those skills and search around you for what else is happening. See the [www.transformation-leaders.com](http://www.transformation-leaders.com) library in the website index for just a cross section of 'must read' books.

## 5. Your own website

A website is not an investment to **find** you a project, but is an important part of your 'published reputation' and 'price positioning'.

It does not need to be complex, or indeed expensive, to get it built and keep it 'current'. But it is an essential part of your senior independent toolkit. Not all of our members have websites. A LinkedIn profile is a first step. But, a website will always be under **your** control.

Never forget that if you do not pay for a service like LinkedIn, then **you** are the product that service sells. Microsoft paid \$26.2 billion for LinkedIn in 2016. You can be very sure they want a good 'return on their investment'.

## 6. Three great referees.

Your personal referees are never made public, and can **only** be contacted with your permission. But we always advise that a client 'checks out' a candidate's referees, as part of their own 'due diligence' on you.

These individuals are VERY important, and are often key mentors and 'trusted advisors' for you.

## 7. Case histories.

We are great believers in writing one or two 'project case histories' that you have been involved in. Two pages seem to be the right length. We are able to provide our members examples of the successful **headings template** we use for these. There are times when producing your case histories at a time of hiring can help to secure a good agreement with a client.

## 8. Other qualities we look for.

**Behaviours of 'Enlightened self-interest'**. Every member naturally has their own personal agenda. But we are all stronger when we find

ways to help each other. We that say every serious senior independent will have a 'relationship of trust' of around 100 individuals. These need to be 'logged' by any independent **for themselves** and managed carefully.

Some do this on a simple Excel spreadsheet. Some have their own CRM system and one of our members, a linkedin specialist, has a relationship database of well over a thousand.

We need to be warm but obviously careful referrers of others. Our clients look for **solutions** from us. We all have to know where to look.

But as a 'rule of thumb' consider this.... 100 chosen T-L.com members x 100 personal 'relationships of trust' = 10,000. In short, you don't need to be 'big' to have very considerable 'reach'.

There is no simple answer to all of this, as we NEVER publish details of our members without a member's express permission.

But again, the independent self- driving market is now VERY large and is very substantially driven by networks. Agents do not control the board level market, 'relationships of trust ' do.

### **What you get from subscribing membership**

After being invited to join you will be sent a link to our **secure** membership quarterly **gocardless** subscription system (see below). In due course we will draft for your approval a half page anonymous T-L.com 'short CV'. This is an, easier to read, abbreviation of your 'Long Cv'. This is held on file here. This 'short Cv' <sup>™</sup> 2000-2022, is often the first item a client sees, before he or she makes a selection of a candidate shortlist for interview.

This would be after T-L .com have agreed the **written project brief** and T-L.com's hiring success and project fee with a client. Our fee is always paid **separately** by the client to us.

A **real point of difference** between ourselves and normal head renting agents is the way the two 'value- adds' are kept apart. ( ie. where most head- renting AGENTS control the **single invoice** to the client, taking their percentage margin first before paying the 'the balance' on to the candidate).

This agent's margin can be around 30% (ie around a 50% mark-up on your own rate) and then paying you the balance. In our process YOU and the client agree and **control** the project price and the project agreement.

Indeed, it is usually preferred by both parties that **you** draft your own simple 'letter of agreement' for the project, and the client agrees and countersigns it. In that way the client can see clearly what **you** intend to deliver in the project and how you intend to work. And indeed how the project will lie outside PAYE.

The advantages to both candidate and client are obvious.

### **12 end- monthly insights every year.**

As a member at the end of every month you will be sent an 'end month member report'. This end month newsletter can be as long as 12 pages covering what we have observed over the previous month.

The most recent accessible library of these reports from January 2019 is on our website, and is **password accessible**. So, in any year it will amount to over 100 pages of 'knowledge and insight' on our sector. **Never in our lifetimes** has change being accelerated so fast as by the global Covid pandemic and its aftermath.

### **Central London face to face insight sessions**

We have also always organised, usually bi-monthly, face to face 'insight sessions' in our 180 Piccadilly board room or at the Army and Navy Club in St James Square. During Covid we quickly adapted and ran these insight sessions to much larger audiences on Zoom. Again,

do check out the website for recent speaker reports.

[www.transformation-leaders.com](http://www.transformation-leaders.com)

### **Advice and counsel**

A great advantage of a controlled size of membership is that it is not difficult to chat on the phone to the MD on any issue where a second opinion' might be needed. A simple email to [Info@transformation-leaders.com](mailto:Info@transformation-leaders.com) is the way to book-in a call.

### **Advice from the membership**

Likewise, any member can ask the entire membership for any help on any issue by sending a simple e- request into [info@transformation-leaders.com](mailto:info@transformation-leaders.com) which is then sent out to all the membership, and any replies will then come to you **direct**. This is based on the successful Cranfield University alumni system.

### **Mentoring advice**

Sometimes a new member has found mentoring help from another specific member helpful. If so, just ask, and we will identify a member happy to help.

### **Tax.**

Increasingly HMRC has watched the steady growth of freelancing as an alternative to PAYE employment and thus producing a decline in PAYE and NI taxed revenue.

HMRC are right. Quite high levels of interim or project work had been actually 'directed' work, and thus actually 'a fixed term or open term of employment' at **less cost** than hiring an employee. And less onerous in terms of obligations to the employee by the employer.

Nowadays if any tax was avoided in this way, then it is **now** the employer who has to pay any unpaid PAYE tax, **not** the freelancer. Increasingly, when in doubt, many freelancers are being driven by their clients into being paid, not gross, but with PAYE tax deducted.

In such cases a freelancer needs to increase their own fees by 40% to arrive at the same nett, after tax. **And freelancers need to pay very careful attention to their own book-keeping, as, in any one year, revenue and taxes may well be 'hybrid'. Some revenue paid PAYE, with tax deducted, some fees 'paid gross' as projects.**

None of our 50 successful and £5M+ of fees earned by our members in projects, sourced via us so far, have ever been within PAYE. Their projects are NEVER 'directed' by our clients.

But, just as you need to be properly insured for your own project liability, so you know that you should play VERY careful attention to your written agreement with your client. And indeed, it can be wise specifically to insure against an HMRC enquiry. Our members report that, if an enquiry does happen, they can be extraordinarily disruptive and time consuming, even when, as has been reported often in the past, HMRC have lost their cases against many independents.

But dealing with HMRC does not to be a confrontational experience. Communicating with the revenue nowadays can be efficient and human. And HMRC have been increasing their staffing and systems to cope with the complexities of demand.

HMRC also have a huge task in the next few years recovering some of the many business support millions given out in Covid times. Far too much of it has seemingly been claimed fraudulently.

For the best and organised independents, tax is simple, just like any company. You are paid gross by your clients. You deduct any legitimate costs in running your own business in any tax year. You then pay tax due each year on the balance. If you are vatted then 'making tax digital' means VAT returns are much more complex nowadays and demand line by line reporting, and thus using cloud systems like Xero, is an essential.

## Cost of membership

If you decide to take up an offer of membership, after interview, the process is as follows.

The current joining cost for 2022 is £250.00 inclusive of VAT **within** that is also your **first** £100 quarterly, inclusive of vat. Our financial controller will send you a link into the **secure gocardless system**. It will secure your bank details and then notify us here that you have done that. And the system will then deduct that £250 inc. vat. And then on succeeding 'quarter days', set by gocardless based on the date of your initial payment, the system will then securely deduct £100 inc. vat. In due course members are then sent a PDF vat receipt for their own tax files. Naturally the cost of membership is a deductible part of your own marketing and information budget.

We advise that a new member joins for at least a year to gain the best benefit of membership. After that a member can resign at any time, giving e notification to T-L.com [info@transformation-leaders.com](mailto:info@transformation-leaders.com) **BEFORE** a quarter day, or you will be 'joined' for a final three months.

After the first year of membership, if a member chooses to stay, the 'quarterly' amount always remains the same. Never increases. And will stay at that level for the entire length of membership. Some of our members have been members for many years, and remain on their original quarterly subscriptions agreed at the outset.

We believe annually asking members for increased levels of subscription is a poor way to reward membership. A practice many insurance companies might learn from, where new subscribers are incentivised, current loyal subscribers penalised. **March 2022.**