THE SOUL TRADER'S SURVIVAL GUIDE

Running a Business Takes Heart - But You Don't Have to Do It Alone

Sole Traders: You Now Have an AI Business Partner

By Eric Cuthbert

MyNewFuture.org
Guiding You Forward

A note from the author

Many people dream of running their own business because they want independence, security and the freedom to build something that matters. The reality is rewarding, but it can also be lonely. One person may be expected to understand customers, prices, cash flow, tax, marketing, technology and every unexpected problem.

I wrote the original Survival Guide from the experience of running businesses through good times and difficult ones. This revised edition keeps that honest, practical spirit while correcting mistakes, updating changing information and adding the challenges owners face today.

The biggest change is that a sole trader no longer has to think alone. My New Future AI can act as an accessible business partner: helping you organise a problem, explore options, prepare questions and turn an idea into practical next steps. It will not replace your judgement or a qualified accountant, solicitor or regulated adviser. Used responsibly, however, it can help you feel less overwhelmed and better prepared.

My hope is simple: that this guide helps you protect what you have built, avoid preventable mistakes and move forward with greater confidence.

Eric Cuthbert
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Important

This eBook provides general educational guidance for UK businesses. Tax, law, grants, platform rules and government requirements change. Always check current official information and obtain suitably qualified advice for decisions that could materially affect you, your staff, customers, finances or legal position.

Contents

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CHAPTER 1

Your Business, Your Future

Why “Soul Trader”?

The legal term is **sole trader**: one person running a business as an individual. This book deliberately uses **Soul Trader** in its title because small-business owners often put their heart, savings, time and identity into what they build. The wordplay is memorable; throughout the practical and legal sections we use the correct term.

Control comes with responsibility

Working for yourself can create freedom, pride and purpose. It also means that sales, service, administration, tax and difficult decisions may all arrive at the same desk. The answer is not to know everything. It is to build a simple system for noticing problems early, finding reliable information and taking the next sensible step.

The survival rule

Protect cash, protect customers, protect your health and keep learning. Growth can come later. A business that survives creates options.

Start with these questions

- What problem do I solve and for whom?
- Why should a customer choose me?
- What must I charge to make a real profit?
- How many sales do I need each month?

- What could seriously interrupt the business?
- Who can help me make better decisions?

Your My New Future AI Partner
Use the **My New Future Business Coach** to describe your situation and receive a practical overview of priorities, risks and next steps. It can help you organise your thinking; you remain responsible for checking decisions with qualified advisers where needed.

CHAPTER 2

Choosing the Right Business Structure

Sole trader

A sole trader is personally responsible for the business. The structure is relatively simple, but business debts and many legal obligations are the owner’s responsibility. Keep accurate records and consider insurance and professional advice.

Limited company

A limited company is a separate legal person, but “limited liability” is not an invisible shield. Directors have duties, lenders or landlords may request personal guarantees, and misconduct can create personal exposure. A company brings filings, accounts and administrative responsibilities.

Other possibilities

Partnerships, limited liability partnerships, community interest companies and charities suit different purposes. Choose the structure for the activity, risk, ownership, tax position and future—not simply because one sounds more professional.

Questions before deciding

- Will I employ people or take on large contracts?
- Could the work cause significant loss or injury?
- Will I need investors, partners or grants?
- How will customers perceive the structure?

- What are the tax and administration consequences?

Companies House identity verification

From 18 November 2025, identity verification became a legal requirement, with a transition period for directors and people with significant control. Check your own due date and use current official guidance.

Your My New Future AI Partner

The Business Coach can help you create a list of questions to take to an accountant or solicitor. My New Future guidance does not select a legal structure for you or replace regulated advice.

CHAPTER 3

Money Foundations: Separate, Record and Reserve

Separate business and personal money

Use a dedicated business account and a consistent way to record income and expenditure. Separation makes bookkeeping, tax returns and cash decisions clearer—even where a sole trader is not legally separate from the business.

Build a bookkeeping rhythm

Set aside a regular weekly time to upload receipts, reconcile the bank, issue invoices and review amounts due. A tidy fifteen minutes each week is safer than a desperate weekend at year-end.

Tax is not available cash

Move an estimated tax amount into a separate savings pot when income arrives. Ask an accountant what percentage is sensible for your circumstances.

Create a reserve

Build towards enough cash to cover essential costs during a quiet period, late payment or equipment failure. Begin with a small target and automate the transfer.

Your weekly money check

- Current bank balance

- Bills due before the next expected receipts
- Overdue invoices
- Tax and VAT money reserved
- Sales needed to close the gap

Your My New Future AI Partner
Use the **Cash Flow & Profit** and **Overhead** tools to organise figures and explore scenarios. Verify tax treatment and filings with HMRC or a qualified accountant.

CHAPTER 4

Tax, VAT and Making Tax Digital

VAT threshold

As at September 2026, VAT registration is normally required when taxable turnover over the previous 12 months exceeds **£90,000**, or when it is expected to exceed £90,000 in the next 30 days. Rules differ for some situations, and voluntary registration can help or harm depending on customers and costs.

Think beyond the threshold

VAT affects prices, margins, invoices, records and cash. Do not wait until the day the threshold is crossed. Forecast turnover and obtain advice early.

Making Tax Digital

Digital record-keeping and submission rules continue to expand. Eligibility and start dates can change. Check current HMRC guidance for Income Tax Self Assessment and VAT rather than relying on an old threshold or timetable.

Good habits

- Keep digital copies of invoices and receipts.
- Record transactions consistently.
- Reconcile accounts regularly.
- Note deadlines in more than one calendar.

- Ask for help before a deadline is missed.

A changing-information warning

Tax rules, allowances and thresholds change. Every future edition of this eBook should be dated, and readers should always check GOV.UK.

Your My New Future AI Partner

Ask the Business Coach to produce a tax-preparation checklist or questions for your accountant. It provides organisation and general guidance, not tax advice.

CHAPTER 5

Pricing for Profit

Turnover is not profit

A busy diary can still lose money. Every price must contribute towards materials, direct labour, overheads, tax, replacements, unpaid administration and the owner’s income.

Know the real hourly cost

Billable hours are fewer than working hours. Marketing, travel, bookkeeping, quotations and chasing payment must be funded by the work you sell.

Three useful pricing views

- **Cost floor:** the minimum that covers the work and overhead.
- **Market position:** what alternatives charge and how your offer differs.
- **Customer value:** the financial or emotional value of solving the problem.

Discount with a reason

A discount should buy something useful: quicker payment, a larger order, a case study or lower delivery cost. Repeated unplanned discounts teach customers to wait.

Review prices

Review at least annually and whenever wages, materials, software, insurance or energy costs materially change.

Your My New Future AI Partner

Use the **Pricing & Profit** tool to test prices and margins, and the **Quotation & Estimate** tool to turn assumptions into a clear customer document.

CHAPTER 6

Cash Flow, Debt and Getting Paid

Profit does not pay today’s bill

A sale is not cash until the customer pays. Forecast when money actually enters and leaves the bank.

Make payment easy

Issue accurate invoices promptly, include payment details and agreed terms, and provide more than one simple payment method where appropriate.

Chase consistently

Use a polite reminder before the due date, another on the date, and a clear escalation after it. Do not avoid the conversation because you fear upsetting a customer.

Debt warning signs

- Borrowing to cover routine losses
- Using tax money for ordinary bills
- Paying suppliers later each month
- Taking high-cost short-term credit
- Not knowing the total owed
- Avoiding bank statements or creditor contact

Ask for help early

Speak to an accountant, licensed insolvency practitioner, debt adviser or creditor before choices disappear. Avoid firms promising instant solutions for large upfront fees.

Personal guarantees

A personal guarantee can make you liable for business borrowing. Understand its amount, duration, release conditions and enforcement risk before signing. Obtain independent legal advice.

Your My New Future AI Partner
Use Cash Flow & Profit to model best, expected and difficult months. The Business Coach can help you prepare a creditor conversation, but it cannot provide insolvency or legal advice.

CHAPTER 7

Finding the Right Customers

Everybody is not a target market

A useful target describes a recognisable group with a problem, ability to pay and a reason to act. Specificity improves messages and reduces wasted promotion.

Create a practical customer profile

- Who experiences the problem?
- What triggers them to seek help?
- What have they already tried?
- What worries them about buying?
- Where do they look for information?
- What evidence would make them trust you?

Build a clear promise

Explain the customer, the problem, the outcome and why your way is different. Avoid vague claims such as “high quality solutions”.

Listen to real language

Record the words customers use in enquiries, reviews and objections. Their language usually produces better marketing than internal jargon.

Your My New Future AI Partner
The **Marketing Campaign** tool and Business Coach can turn your customer profile into messages, content ideas and a manageable plan. Review every claim for accuracy before publishing.

CHAPTER 8

Marketing Without Wasting Money

Choose fewer channels

A small business rarely needs to be everywhere. Choose the places customers already use and where you can communicate consistently.

A simple content pattern

- Teach something useful.
- Show a real example or result.
- Answer a common concern.
- Explain the next step.
- Invite a clear action.

Email responsibly

Build permission and trust. Keep records of how contacts were obtained, identify the sender, offer an easy way to stop messages and check current UK GDPR and PECR rules. Business-to-business marketing still requires care, particularly where an address identifies an individual.

Test before scaling

Start with a small audience and one offer. Track enquiries, qualified leads, sales, profit and repeat business—not just likes or clicks.

Repurpose intelligently

One useful article can become a short video, checklist, email and several posts. Adapt it rather than copying the same format everywhere.

Your My New Future AI Partner

Use Marketing Campaign to build a channel plan and calendar. Ask the Business Coach which single campaign is most likely to help your immediate situation.

CHAPTER 9

Selling Without Pressure

Sales is diagnosis

Good selling helps a customer decide whether the offer fits. Ask questions before presenting a solution.

A helpful sales conversation

- What is happening now?
- What result is wanted?
- Why does it matter now?
- What constraints exist?
- Who decides?
- What would make the customer confident?

Make proposals easy to decide

Restate the need, scope, exclusions, timing, price, payment schedule, responsibilities and next step. Remove surprises.

Handle objections with curiosity

An objection can mean lack of value, trust, urgency, authority or money. Ask what sits behind it rather than immediately discounting.

Follow up

Agree a date and reason for follow-up. “Just checking in” is weaker than sending a useful answer, example or clarified option.

Your My New Future AI Partner
Use the **Sales Proposal & Tender** tool to structure a response and the Business Coach to practise questions and objections. Human review remains essential.

CHAPTER 10

Customers, Reviews and Reputation

Keep the promise

Reliable communication is part of the product. Tell customers early when timing or scope changes.

Invite useful feedback

Ask what nearly stopped the purchase, what worked and what should improve. A testimonial is most persuasive when it describes the initial problem and specific result.

Respond to complaints

- Acknowledge promptly.
- Clarify the facts and desired resolution.
- Own genuine mistakes.
- Offer a fair remedy.
- Record the learning and change the process.

Reviews

Do not buy reviews or hide genuine criticism. Respond calmly without revealing personal information. A small number of balanced reviews can appear more credible than impossible perfection.

Know when to end a relationship

Abuse, persistent non-payment, unsafe requests or repeated scope violations may justify ending work under the contract. Keep records and obtain advice when risk is significant.

Your My New Future AI Partner

The Business Coach can help draft a response, complaint process or review request. Check tone, facts, privacy and contractual commitments before sending.

CHAPTER 11

Quotations, Contracts and Policies

Put the agreement in writing

A written agreement should define parties, scope, price, VAT, timing, changes, payment, cancellation, intellectual property, liability and dispute handling as appropriate.

Quote assumptions

State what information the estimate relies upon and what could change the price. Record customer approval before additional work.

Policies must match reality

A copied policy can be dangerous if the business does not follow it. Policies should describe real practices, responsibilities and review dates.

AI-generated documents need review

AI can create a useful first draft or checklist, but it may omit law, sector rules or facts. Never present an AI draft as solicitor-approved unless it genuinely is.

Keep evidence

Store versions, approvals, changes, delivery records and relevant customer communication securely.

Your My New Future AI Partner
Use **Quotation & Estimate**, **Legal Document** and **Policies Generator** as drafting aids. For material contracts, employment,

leases, regulated activity or serious liability, obtain qualified legal advice.

CHAPTER 12

Employing People and Using Freelancers

Employment starts before the first day

Budget for recruitment, wages, National Insurance, pension duties, holiday, absence, equipment, training, supervision and payroll—not salary alone.

Status matters

Calling someone self-employed does not make it so. Working arrangements determine rights and tax treatment. Check official guidance and obtain advice.

Recruit fairly

Define essential skills, use consistent questions, make lawful right-to-work checks and avoid discriminatory criteria. Keep candidate information securely.

Manage through clarity

Provide written expectations, regular feedback and a safe route to raise concerns. Record important performance and conduct conversations.

Dismissal is high risk

Do not treat termination as “not personal”. It has human and legal consequences. Follow a fair procedure and current law, and obtain advice before acting.

Freelancers

Agree scope, ownership, confidentiality, data handling, fees and deadlines. Avoid creating an employment relationship by accident.

Your My New Future AI Partner
Use **Employee & HR** and Policies Generator for planning and first drafts. Employment decisions require current official guidance and, where appropriate, professional advice.

CHAPTER 13

Systems, Time and AI

A system protects attention

If a task repeats, write the trigger, steps, owner, tool and expected result. Start with enquiries, quotations, onboarding, delivery, invoicing and complaints.

Automate after understanding

A broken process completed faster remains broken. Simplify the steps, test manually, then automate the stable parts.

Use AI as a partner, not an authority

AI can help brainstorm, structure, compare options and produce a first draft. It can also be confidently wrong. The owner must supply accurate context, check outputs and protect confidential information.

A safe AI checklist

- Do not enter confidential or sensitive personal data without an approved basis and suitable controls.
- Check facts, calculations, links and legal claims.
- Review tone and bias.
- Keep human approval for important decisions.
- Tell customers when transparency is appropriate.
- Do not promise an outcome the business cannot deliver.

Measure time saved

Record the task, old time, new time and error rate. Use saved time for customers, sales, quality or rest—not simply more administration.

Your My New Future AI Partner

My New Future AI is designed to give ordinary business owners accessible, structured guidance without requiring technical expertise. The Business Coach helps turn an unclear problem into options and next steps, while specialist tools help create the working documents.

CHAPTER 14

Cybersecurity and Data Protection

Small does not mean invisible

Criminals automate phishing, password attacks and invoice fraud. A small firm may be targeted because it has money, customer data and fewer controls.

Five essentials

- Use unique passwords and multi-factor authentication.
- Keep devices and software updated.
- Back up important data and test recovery.
- Limit access to what each person needs.
- Verify changes to bank details using a trusted second channel.

Plan for an incident

Know how to disconnect a compromised device, contact the bank or provider, preserve evidence, communicate with customers and assess reporting obligations.

Data protection

Know what personal data you hold, why you need it, where it is stored, who receives it and when it will be deleted. Use appropriate privacy information and processor agreements.

AI and customer data

Do not paste a customer database, medical information, passwords, unpublished contracts or sensitive case details into a general AI service. Use anonymised or fictional examples when exploring ideas.

Your My New Future AI Partner

Ask the Business Coach to produce a cybersecurity action list, then check it against the NCSC and ICO. My New Future cannot certify compliance or investigate an incident.

CHAPTER 15

Grants, Finance and Tenders

Match the funding to the need

Loans require repayment, investment gives up ownership or influence, and grants bring eligibility and reporting conditions. Funding should support a viable plan rather than conceal continuing losses.

Grant reality

Many grants are narrow, competitive and time-limited. Confirm geography, business size, sector, project dates, match funding and eligible costs before writing.

Tender readiness

- Can you meet every mandatory requirement?
- Do you have policies, insurance and evidence?
- Can cash flow support delivery before payment?
- Do you understand scoring and deadlines?
- Can you deliver the contract without harming existing customers?

Build an evidence library

Keep case studies, results, policies, team biographies, accounts, insurance and standard answers current. Tailor them; never paste a generic response blindly.

No guaranteed funding

No ethical adviser or AI can guarantee a grant, tender or loan. Decisions belong to funders, buyers and lenders.

Your My New Future AI Partner
Use the **Grant Finder/Writer** to identify possibilities and structure applications, and the **Tender Finder/Writer** to assess opportunities and prepare responses. Always verify the original funder or buyer documents.

CHAPTER 16

Growing Without Losing Control

Growth and scaling

Growth adds revenue and often adds comparable costs. Scaling aims to increase revenue faster than costs through systems, capacity and repeatability.

Look for readiness

- Consistent demand
- Healthy gross margin
- Reliable delivery
- Cash visibility
- Documented core processes
- Evidence that customers return or refer

Choose one growth constraint

The obstacle may be leads, conversion, capacity, cash, quality or owner time. Investing everywhere at once hides the true problem.

Run experiments

Set a hypothesis, budget, time limit and success measure. Expand only after evidence.

Protect quality and cash

Rapid growth can increase complaints and consume cash before receipts arrive. Forecast working capital and service capacity before accepting large commitments.

Your My New Future AI Partner
Use **Growth Planner** and Cash Flow & Profit to test a growth move. The Business Coach can help identify the current bottleneck and create a staged plan.

CHAPTER 17

Resilience, Setbacks and Pivots

Failure is information, not identity

A failed offer, late project or lost customer describes an event. It does not define the owner.

Run a calm review

- What did we expect?
- What actually happened?
- Which assumptions were wrong?
- What was within our control?
- What should stop, start or continue?
- What is the smallest safe next experiment?

Know when to pivot

Change direction when evidence repeatedly challenges the model—not merely because one week feels difficult. Define what evidence would justify continuing, changing or stopping.

Protect decision quality

After a setback, avoid desperate borrowing, sudden discounts or a new unrelated venture without understanding the original problem.

Ask for an outside view

A mentor, accountant, customer or adviser may see a pattern hidden by exhaustion.

Your My New Future AI Partner
Use the Business Coach to organise a setback review and compare options. It cannot decide for you, but it can slow down a panicked decision and expose missing information.

CHAPTER 18

Motivation and Avoiding Burnout

Burnout is a business risk

Exhaustion damages judgement, service and relationships. Long hours are sometimes necessary, but they should not become the only operating model.

Warning signs

- Persistent tiredness
- Cynicism or irritability
- Avoiding customers, accounts or decisions
- Sleep disruption
- Loss of enjoyment
- More mistakes
- Feeling unable to stop

Reduce before adding

Create a “to-don’t” list. Stop work that produces little value, automate a stable task, delegate appropriately or change an offer that cannot be delivered profitably.

Protect recovery

Schedule breaks, movement, food, sleep and contact with people outside the business. These are maintenance, not rewards for finishing an endless list.

Seek support

Persistent low mood, anxiety, hopelessness or inability to function deserves help from a GP or appropriate professional. Business coaching is not mental-health treatment.

Your My New Future AI Partner

The Business Coach can help prioritise workload and design a realistic week. Use it to reduce overwhelm, while seeking professional health support when needed.

CHAPTER 19

Long-Term Success and Exit Planning

Define success personally

Success may mean income, flexibility, employment for others, community impact, creative freedom or a valuable saleable asset. Your definition guides trade-offs.

Build beyond the owner

Document knowledge, strengthen customer relationships, maintain accounts and reduce dependence on one person, customer or supplier.

Diversify carefully

A new income stream should use an existing capability, customer or asset where possible. Too many unrelated offers divide attention.

Plan for interruption

Consider illness, bereavement, cyberattack, supplier failure and loss of premises. Decide who can access essential information and keep appropriate insurance and legal arrangements.

Exit is not defeat

Sale, succession, merger, gradual retirement or orderly closure can all be successful outcomes. Plan early enough to preserve choices.

Legacy

Passing on knowledge, mentoring another owner, supporting charities or creating useful employment can extend the value of the business beyond profit.

Your My New Future AI Partner

Use Growth Planner and the Business Coach to explore the future you want and identify what must change for the business to support it.

CHAPTER 20

Your 30-Day Survival Plan

Week 1: See the truth

- List cash in the bank and bills due.
- Record overdue invoices.
- Calculate the minimum monthly sales requirement.
- List legal, tax and filing deadlines.
- Identify the single greatest risk.

Week 2: Strengthen the offer

- Describe one target customer.
- Rewrite the main promise in plain English.
- Review price and margin.
- Ask two customers for feedback.
- Choose one marketing action.

Week 3: Build the system

- Document enquiry to payment.
- Create or improve a quotation template.
- Schedule bookkeeping and follow-up.
- Back up essential data.
- Turn on multi-factor authentication.

Week 4: Protect the owner

- Remove one low-value task.
- Set a realistic weekly plan.
- Contact a mentor, accountant or adviser.
- Review what changed.
- Choose the next 30-day priority.

Measure progress

Track a small set: cash runway, leads, conversion, average sale, gross margin, overdue debt and owner hours. Numbers are signals, not punishments.

Your My New Future AI Partner
Start with a free personalised overview from the **My New Future Business Coach**. Use the result to decide which specialist tool or professional conversation should come next.

CHAPTER 21

Quick Checklists and Conversation Prompts

Before accepting work

- Is the customer and need clear?
- Is the scope written?
- Can we deliver safely and on time?
- Does the price make a profit?
- Are payment terms acceptable?
- What happens if the scope changes?

Before borrowing

- What exact problem will the money solve?
- What is the total cost and personal exposure?
- Can repayments be met in a difficult month?
- Is borrowing funding growth or recurring loss?
- Have I compared alternatives and obtained advice?

Before hiring

- Is there enough continuing work?
- What is the full employment cost?
- Is the role clearly defined?
- Can I manage and train the person?

- Have I checked current legal duties?

Questions for your Business Coach

- What is the most urgent risk in my situation?
- Which numbers am I missing?
- What are three realistic options?
- What should I ask my accountant or solicitor?
- What is the smallest useful action this week?

Final thought

You do not need to become an expert in everything. You need enough understanding to ask better questions, recognise danger and choose the right help. A good AI partner can organise the path, but your judgement, values and responsibility remain at the centre of the business.

Your My New Future AI Partner
Visit **www.mynewfuture.org** to explore the Business Coach and practical tools for finance, marketing, documents, funding and growth.

Sources and further guidance

Key facts and regulatory references were checked while this revised edition was prepared in September 2026. Always use the linked official pages for the latest requirements.

- **GOV.UK - Set up as a sole trader**
- **GOV.UK - Register for VAT**
- **GOV.UK - Making Tax Digital for Income Tax**
- **GOV.UK - Companies House identity verification**
- **GOV.UK - Employing people**
- **ACAS - Advice for employers and employees**
- **ICO - Data protection advice for small organisations**
- **NCSC - Small Business Guide**
- **My New Future**
- **My New Future Business Coach**

About My New Future

My New Future creates accessible AI-supported tools for ordinary people, businesses, charities and community organisations. Its Business Coach and specialist tools help users organise information, explore options and prepare practical first drafts. They do not guarantee funding, sales, profit or business success.

Visit www.mynewfuture.org