



HOW TO BE A

ROCKSTAR

FREELANCER

From the Authors of FreelanceSwitch

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ROCK*

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Foreword

Although freelancers today are usually designers, writers, programmers, photographers, or illustrators; a few centuries ago the word *freelance* had a whole other meaning. Back then mercenary knights or ‘*free lances*’ were soldiers for hire, named for the long poles they carried and the freedom they had in whom they fought for.

Though a lance is no longer required, today’s freelancer does share one thing in common with those knights: the freedom to choose.

It is this freedom to be your own boss, to select your projects and clients, and to have a different lifestyle. This is what draws so many people to a career in freelancing.

Although people freelance in many different professions, countries and clients, still we all share much in common. This book will show you the ins and outs of freelancing, dealing with subjects like how to get your first projects, what to do when a client won’t pay and how to handle tricky clients. It is written as a general guide that will benefit contractors of all professions.

Cyan and I have worked for many years as freelancers, and have had experience hiring freelancers also. Today we write about the subject on FreelanceSwitch.com.

As one freelancer to another, I wish you the best of luck with your freelancing career. I hope this book helps you to a more prosperous, exciting and rewarding future.

Collis Ta’eed



Getting Started

Beginning a freelancing career is one of the most exciting things you'll ever do. Maybe it's the thrill of giving your nine-to-five the flick, maybe it's the prospect of being your own boss, or maybe it's just the knowledge that you are the master of your own destiny.

What is Freelancing?

Put simply, a freelancer is a person who works for themselves. A freelancer provides some sort of service whether it is photography, design, programming or almost any other occupation. The main difference is that a freelancer has many clients rather than one steady employer. Freelancers often charge by the hour, the day or the project and are effectively running a small business with their skill set as the star product.

Freelancers can also be referred to as contractors as they take short contract jobs for their clients as opposed to a permanent position with a regular salary. A freelancer will usually have a few clients at any one time and will be juggling projects to ensure they are all completed to schedule.

Although you might be thinking that freelancing is simply a different kind of job, in fact it is running your own business. When you are a freelancer, you are a one-person business. At some point you might even expand to a larger operation by hiring staff. Or you could remain a freelancer permanently.

Working for yourself will afford the freedom to choose where you work, when you work, who you work for, what you charge and much more. Along with this freedom can come some new stresses. Where can you find work? When will you get paid? What do you do when there is too much work? What about too little work?

Anyone who is good at what they do can make it as a freelancer. But it will take work. There is a lot to learn that you will not have encountered when working for someone else. This book will guide you through these hurdles and give you a road map for what's ahead.

Though it can be a struggle at times, freelancing is infinitely more rewarding than working for someone else. When you get out of bed in the morning and know that you control your own destiny, that you are

the boss, that feeling is priceless. When everyone else is rushing to get to work, commuting through crowds, and you are relaxed in your own workspace, you'll know you've made the right choice.

Since you are reading this book, it's safe to assume that you have already decided to become a freelancer. The important questions then are where to start and what to do first?

Your Job and Freelancing on the Side

The very first issue to consider is your current employment. Will you be freelancing full-time or taking clients on the side while continuing on at your current job? If you do wish to freelance full-time, should you quit immediately or wait?

If you are anything like us you will probably be excited about quitting your job as soon as possible. However it is worth considering whether to use your current job as a platform to dive into freelancing.

Freelancing on the side while working a regular 9-5 job can help you get your freelancing business started. You can also earn extra cash without the stress of giving up your day job. Let's take a look at some of the advantages and disadvantages of moonlighting as a freelancer:

Advantages

- **You can test the waters**

Giving up the security of your day job can be a bit frightening. When you work for someone else it's their responsibility to bring in work and pay you even when business is quiet. As a full time freelancer you'll be inheriting all that and more.

The great thing about freelancing on the side is that you get to test the waters before you give up the security of your job. It is a little like wearing a swim vest to your first trip in the pool. If it doesn't quite pan out as you'd hoped and you turn out to be a slow learner, those little balloons of air will make sure

you don't get into too much trouble, and if you're the next Ian Thorpe then you can quickly slip out of them and splash away.

- **You'll still get paid holidays**

As a freelancer you will still take holidays, but there is nothing quite like having an employer paying you to sip drinks by the pool. As a part-time freelancer, you can easily turn away projects with the luxury of knowing that you still have regular work to come back to after your vacation.

- **Build a portfolio and stable of clients for future full-time freelancing**

When we left our jobs, our employers made it clear that we were not to use any work we had done for them when bidding for new jobs, in particular on our new freelancing website. Not every employer requires this and it somewhat depends on the industry. However, as a designer in particular this can be a significant setback as your personal portfolio pieces could be out of date or nonexistent.

Freelancing on the side means that you can slowly piece together both a portfolio and a client list so that when you do switch to full-time freelancing you've already done the hard yards.

- **Cashing up**

When you have a full-time job and a part-time freelancing business, you will have a good opportunity to build up some cash reserves. As we discuss in the next section these savings will be extremely useful when you switch to full-time freelancing.

Disadvantages

- **Less free time**

You wanted a full-time job, freelance work AND time to have a life? More often than not that is very hard to achieve. If your job is part-time then this is easier, but even then freelancing

on the side can take up your evenings, weekends and other spare time you might have previously had. Finding balance is always hard to do, but being careful with how much work you take on and focusing on productivity will help. These are generally lessons you need to learn the hard way, so expect your first few months to be a balancing act.

- **No freelancing at work**
There is a huge temptation to start doing your freelance projects while working nine to five. Whether it's using lunch breaks to finish off the odd job or just spare moments here and there, this can have consequences.

Your employer may start wondering why you take longer to complete tasks, and your stress levels will go up as you invent increasingly more complex schemes to make yourself look like you've been working when you haven't. You'll likely become all too familiar with "Alt-Tab" to switch between windows to hide work you weren't meant to be doing.

My advice is to not give in to the temptation and you're your freelance projects out of the office. If you must mix them up,

ROCK* QUOTE

"Don't leap without solid footing... Don't make the leap until you've got the necessary experience and exposure to make it all happen."

I said earlier that my leap was one of faith, and though it was, I was also quite confident the timing was right. I had the necessary experience (portfolio, client roll, variety of projects) and exposure (Google search, incoming links, readership) to leave the ground with solid footing..."

Cameron Moll

Full-time freelancing:

10 things learned in 180 days

CameronMoll.com



talk to your boss about it and see if you can find a solution that works for everyone.

- **No pressure release valves**

When you have far too much work to do, it's good to have an emergency escape route – a way to get the work done in time without too much drama. This might be working on the weekend. Knowing that you have a weekend or an extra night up your sleeve means that you can relax in the knowledge that if you somehow don't finish that Monday-due project by Friday afternoon that it's not the end of the world.

As a part-time freelancer one has far fewer pressure valves since you're already using spare time to freelance. If you accidentally bite off more than you can chew - something not uncommon to freelancers - then you may find that less sleep and a timely 'sick day' are the only cards you have left to play, and that's no fun.

- **Clients don't always want to talk outside of office hours**

Most clients see the hours of 9 to 5 as those to be used for doing business. Part-time freelancers see the hours of 9 to 5 as the hours when they need to switch off their mobile phone, not check their other email address and at least maintain the facade of working for someone else. This can often cause problems.

You may find yourself making hushed phone calls to clients in corridors or having to deal with irate requests to check your email. Try to be honest with your clients about freelancing part-time. They may expect to pay less, but you will also stress less.

Some office environments might be open to you running your freelance communications through them, but these are relatively few and far-between. Again, discuss options with your employer and see if there is a solution that keeps everyone happy.

- **Limited Energy**

Having a day job demands a lot of time and attention and it can be hard to have the focus or energy for freelance projects at the end of a long day. Some people love to work, and others need more downtime. It does take a great deal of stamina and commitment to work full-time and freelance. If you're the type who needs their weekend, then explore the following alternatives instead.

Part-time Work While Freelancing

Transitioning to freelancing is often most easily achieved when one also has a part-time job. A steady job for two-three days a week will give you the security of a reliable income with the time to get your freelancing career under way. Here are some of the benefits of working part-time when you begin freelancing:

- **The security of a steady pay check**

Working part-time will lessen the financial risks of transitioning to full-time freelancing. You'll hopefully be less stressed and be able to build up your business at your own pace. Because you will only be working part-time your salary probably won't be enough to live luxuriously but it should ensure the basics are taken care of.

- **You are reminded weekly why you want to become a freelancer**

Many of us choose to freelance precisely because we don't like working for someone else. When you still have to go in to work a couple of times a week, you'll have that added incentive to succeed at freelancing so that you can finally quit your job.

- **You have enough time**
While working full-time means you have very little time left for freelancing, a part-time job will leave you ample time to give it plenty of energy and focus. If you freelance every week for three weekdays and one day on the weekend, you will be freelancing close to a full-time week, but will still have the security of a job.
- **Once you have a healthy stable of clients you can easily quit the part-time job and make a smooth transition**
Because you have more time to freelance, you will build up a larger and steadier client base. You'll quickly get into a rhythm of work and will become comfortable with your new lifestyle. This means that the transition to freelancing full-time will be smooth.
- **You may be able to get guidance**
If your part-time job is in the same field as your freelance work and you have a good relationship with your colleagues, you may be able to ask for guidance and advice from your boss and peers. Having someone to talk to about work is extremely useful, and chances are any problems you encounter with the business of freelancing are fairly common ones.

Compared to working full-time and freelancing on the side, part-time work has very few disadvantages. There will still be a few days a week when you are not available for meetings or work and this unavailability and distraction can cause problems, but generally they should be relatively minor. In many ways you can think of your part-time job as one specific – and very demanding - freelance client. Here are some of the few disadvantages:

- **You can get *too* comfortable**
Freelancers who work part-time can avoid most of the time pressure of the full-time worker, and the cash flow pressure of the full-time freelancer. This can be beneficial, but there is the danger that without those pressures one can become

complacent and lose the drive to build a freelance business. If you do choose to work part-time, then ensure you have the determination to focus on your freelancing career, otherwise you may find yourself putting off beginning your freelancing career in earnest for the foreseeable future.

- **Your part-time job may drain you**

Chances are your part-time work will not be the job of your dreams. That's fine as it is intended to be temporary stop-gap, but do ensure you have some means to keep the enthusiasm and energy flowing after you finish work. If you find your part-time work is effecting you negatively (due to co-workers, your boss or your work) then you will need to be extra diligent to keep the dream alive and remember why you want to freelance in the first place.

That being said, if you can get part-time work to transition to full-time freelance, our advice is take it – especially if it is in the industry you intend to freelance in. You can get a feel for freelancing and build up a client with minimum risk and a smooth transition.

Full-time Freelancing

While we would not recommend quitting your job without having some freelancing experience, there are some who choose this route. If you are thinking about this path it is essential that you have savings equivalent to your cost of living for at least three months. There may be some who come to freelancing young and are still supported by their parents, or those who are coming to freelancing after leaving their job to care for their family.

Launching a full-time freelancing career without prior experience is a risky move, so we must reiterate that you must have savings equivalent to your cost of living for at least three months, have outside financial support or an established means of passive income. Here are some of the benefits of immediate full-time freelancing:

- **You don't need to 'switch gears'**
It can be challenging to shift your mindset from a job to freelance work, especially when you're trying to do both at once. Full-time freelancing not only allows more energy to be devoted to building your business, but will help you stay entirely focused on your goal.
- **You don't need to give up your free time**
For some, giving up weekends and evenings to freelance work is just impossible. Some need time to recharge and give time to hobbies, or spend quality time with their families, spouse or friends. Happily, full-time freelancers won't need to give up so much of their downtime to build their business. Chances are you'll still have the occasional weekend or evening panic while you find your stride, but this should be far rarer than for those juggling freelance projects while working.
- **You will be available during office hours**
Being available 9 to 5, five days a week will give you an edge when beginning your freelancing career. You can complete tight deadlines and have meetings during office hours which clients will appreciate.

Disadvantages

- **You may experience a culture shock**
Working alone is a surprising challenge for most new freelancers. Many experience loneliness or find it challenging to get anything done without an authority figure watching over them. There is the inevitable temptation to watch television or even tidy the house. It will take a special type of discipline to work nine to five at home – something that develops over time.
- **You will be at a larger financial risk**
For those relying on savings alone there is the pressure to succeed before cash reserves run out. This can work as a

great incentive, but can also cause a great deal of stress and sometimes desperation. Plan what actions you will take if cash flow is a problem before you take the leap.

Quitting Your Job

For those working full or part-time, there will come a time when you need to take the plunge and leave your job to freelance full-time.

While you may be quite keen to say goodbye to a job you've disliked, it is important to leave on a positive note, particularly if your job is in the same industry as your freelancing career.

An ex-employer can often provide a source of early clients for new freelancers. Many agencies will have run-off work or even need a freelancer themselves for busy periods. You will be in an excellent position to take advantage of this since you already have contacts, know the work environment and the type of work. While they may not be your ideal client, when you have a shortage of work, something is definitely better than nothing.

ROCK* QUOTE

You should think strategically about the perfect time to start your freelance life. Do you know when your target market of clients spends money? Don't make the jump to freelance work five minutes after all your prospects' budgets are set for the year...

Are there big projects at work you should finish first to get good endorsements and future work from your soon-to-be ex-employer? Do you have money saved, to handle potential downturns?

You can jump into the freelance fire with both feet without paying attention to the environment around you, but it will be much more effective and profitable if you time the move carefully.

Ben Yoskovitz
14 Tips for Moving From
Full-Time to Freelance Work
InstigatorBlog.com



Your Financial Situation

When you freelance, you are effectively running your own small business. Like any business you are going to need money to get started. Some likely expenses are:

- 1) Office equipment, stationery, software and supplies
- 2) Hiring an accountant and lawyer
- 3) Building and developing a brand, a website, business cards and other marketing materials
- 4) Reserve funds when you start your freelancing business
- 5) Fallback funds in case you are ill or other circumstances prevent you from working.

There is no magic sum of money and certainly if you are still working part-time or full-time then the amount you need will be less. Here are some guidelines:

- **Setup expenses**
List expenses for your workspace, equipment and promotional materials, as well as at least 10% on top for incidentals you might not have thought of.
- **Cost of living for at least three months**
Ensure that you have funds to cover your cost of living for at least three months. While situations will vary, we have found that this guideline should provide a good buffer.

Even the most talented of freelancers can occasionally find it hard to build a business due to outside circumstances. Err to the side of caution when calculating these costs – it's better to be safe than sorry.

Even when business is good you should aim to maintain savings to cover your cost of living expenses for three months. These savings need to be kept for times when you get ill, have no work, an emergency arises or some other situation requires it. Remember that as a freelancer it is your responsibility alone to cover holidays, sick leave and personal time and you should factor that into any financial equation.

Business, Accounting, and Legal Requirements

As with any new business there are government requirements you must fulfil in order to operate legally. These differ in different countries, so make sure to consult your local government.

Here are some general issues to look into when setting up your freelance business:

- **Choosing a business structure**

In most countries there are variety of business structures that you can implement. They usually range from simpler sole trader or partnership structure to a corporation or company structure. A sole trader or partnership usually involves less paperwork but leaves you personally liable. Corporation or company structures are more complex to set up but provide a degree of personal legal protection.

It's important to spend time deciding how to set up your business as it may have implications for things like filing accounts with the tax department, liability when things go wrong, and what paperwork you need to complete. If you need help it is worthwhile to consult a lawyer who specialises in this area. Lawyers aren't cheap so this will be an investment, but the wrong choice of business could potentially cost you a great deal of money and stress in the long run. A qualified

professional will help you understand your options and make an informed choice.

- **Registering or Incorporating your business**

You will need to register or incorporate your business with the government for it to become a legal entity. In the US this also means selecting what state you wish to incorporate in since different states have different laws. Wherever you are you will need to ensure that your business name is unique in its industry area. This can usually be done by consulting a database of local businesses. Contact your local government for more information and resources. We will delve into naming your business in *Chapter 2 – Your Brand*.

- **Registering for tax**

Once your business is registered you may need to register for tax purposes. Most countries give out an identification number to businesses to be used when lodging accounts with the tax department.

Remember, you should consult local government information for details on how to set up a business in your country. Although this can feel complicated or confusing, remember that your government is likely to want to encourage local business and there are generally ample resources available. If you run into problems, consult a lawyer for assistance.

Setting up a Bank Account and Credit Card

Spend some time investigating different business banking options and find a suitable bank and account type for your new business.

Opening a bank account in your business name will ensure that your business transactions and personal transactions remain separate. While at first it might be tempting to use this business account for your personal use from time to time, avoid this at all costs. It makes your accounting much more complex when tax time comes.

You will probably also want to get a business credit card, but this can

be difficult as your business will have no track record yet and banks want evidence that your business is solvent before offering credit. You can instead apply for a credit card in your personal name, but reserve it for only business expenditures so that there is no confusion. Credit cards are useful for purchases of equipment and software, particularly online. A credit card can also be useful to boost cash flow, but remember interest is high on credit cards so this should only be a temporary or emergency measure.

Legal and Accounting Advice

As soon as possible you should contact a lawyer and an accountant. It is always better to find individuals who specialize or are at least experienced in your industry. If you cannot get a personal recommendation then contact your local industry association and ask for their advice.

Lawyers and accountants can be expensive so ask for an initial consultation to discuss your needs before commissioning any work. Ask any questions you may have, and find out if there are any legal or tax issues you need to sort out that you may not be aware of. Ask for a quote for the work discussed before commencing so you don't get any surprises.

Your lawyer should assist you with both general business advice and any questions you might have regarding your liabilities, contracts with clients or potential intellectual property issues that may arise.

It is also important to build a relationship with an accountant. A good accountant can help you with financial advice, help you plan your business, make sure you pay as little tax as possible and ensure you don't get into trouble with the tax department. Try to find someone on personal recommendation and look for a person who is not only experienced in your area but will also explain things to you simply and answer questions in layperson's terms.

While an accountant will provide advice and manage the more major financial events for your business, they are probably too expensive for your day-to-day book keeping. You will either need to do this yourself or hire a bookkeeper.

Since your accounts are unlikely to be very complicated to begin with, we advise doing it yourself. Get yourself some bookkeeping software such as *QuickBooks* and take a short course on the topic. For the most part bookkeeping is simply keeping good records and so long as you are diligent you are unlikely to run into any problems. An accountant will often suggest a system that works well with their processes.

Make sure you record every expense related to your business as come tax time you will be able to claim a wealth of new deductions and save yourself a lot of money. Your accountant will be able to tell you what is tax-deductible in your region and industry.

Completing your own bookkeeping will also give you detailed insights into how your business is faring financially. If you are a little errant in spending, this will help keep you on track.

For more detailed business, accounting and legal advice consult a professional in your region.

While an accountant will provide advice and manage the more major financial events for your business, they are probably too expensive for your day to day book keeping. You will either need to do this yourself or hire a bookkeeper.

Having a Business Plan

A basic business plan is essential for any new freelancer. Even when you are starting a business as small as a freelance business it is worth doing some planning. That is after all why you are reading this book!

A formal way of doing your planning is to write a traditional business plan. We recommend doing this, but not spending too much time on it. The key with business planning is not to create an exact road map of what will happen in the future, but rather it is to spend time thinking about your business.

By spending time thinking about your plans you will be forced to question assumptions you may have falsely made and spot potential problems before they arise.

What is a business plan?

A business plan is a document that covers the following:

- **Organizational plan**

This section contains a detailed summary of how you intend to make money, what services you plan to offer and how much they will cost, who your clients are going to be as well as details like the business name, the office location and so on.

ROCK* QUOTE

When I refer to a business plan, I don't mean a 100-page monstrosity filled with five-year projections. A freelancer's business plan needs to have three qualities. First, it has to be written. The act of writing down your plan will force you to think it through much more carefully than if you "keep it in your head." Second, it has to set clear, measurable objectives. After all, how will you know that you've succeeded if you don't define success before you begin?

Chris Yeh
Best Practices for
Freelance Business
Sitepoint.com



- **Marketing plan**

This section outlines how you plan to get clients and work, what advertising or marketing you will do and what goals and estimations you have for the number of jobs you might get as a result.

- **Financial plan**

This section will outline how much you will be charging, how many hours a week you expect to bill, how many days a year you will be working, how much you need to spend on expenses, when those costs will occur and whether you will have enough money. It's good to map out a plan of the year in terms of expenses so you can analyse and plan with your expected income and cash flow.

It's a good idea to read a book on business planning for detailed guidelines. Most of these books are written for larger business plans so pick and choose what is appropriate for you. Don't spend too long on your plan and don't let it hold you back. Think of it more as an exercise to help make sure you've accounted for everything and that you're thoroughly prepared to begin your freelancing career.

2

Your Brand

As you may already know, branding is the art of distinguishing one product from the rest. In this case that product is you. Branding for a freelancer is about creating an identity that represents you and your services and sets you apart from other competing freelancers. Your brand will guide a potential clients first impression, will help you win projects, and will build your business.

What is Branding for a Freelancer?

The word branding originally comes from the farming practice of burning an emblem on to a cow's hide to identify who the animal belonged to.

The modern meaning of branding is actually very similar. A brand is an identity for a product or company that helps you distinguish it from other similar products and companies using things like graphics, advertising, and public relations. This branding can be the deciding factor in choosing between two products that are often near identical.

ROCK* QUOTE

Small business branding is not a good logo, a rhyming name, or special font.

Small business branding is the owner. It's what the owner does, says and how the owner's traits come through in every aspect of the business. It's the way relationships are built and maintained, the way a person does business and treats other people. It's how rapport is established at an individual level, where trust and comfort exist as human characteristics, not from theme music, models or slogans.

Yaro Starak
Small To Medium
Business Branding
SmallBusinessBranding.com



For a freelancer, the brand is the product. The product is the company, and the company is you. How do clients and potential clients tell the difference between your services and your competitors? What makes you stand out from other freelancers that answered that job ad?

Branding your freelance business is all about creating a personal business identity for yourself. At its most basic, it will be a name, a logo, a website and a set of visual materials. You will aim for these elements to give you a professional and memorable image. They will be one reason to choose you over another freelancer.

Make no mistake – your branding can be the deciding factor between

winning a project and being passed over for another freelancer. In some situations you meet a prospective client face to face and win them over with personality and charm, but in many others they will come across your website, an advert, get handed a business card or simply receive an email. In these situations your brand should do the talking for you.

If you choose to take branding further, it can be about creating recognition of your name, mind-share to potential customers about what you do and a certain level of fame. Think of some of the best people in your industry and consider that their names and their businesses are their brands. They have most likely developed them up very carefully.

What Can Branding Do For You?

Let's briefly discuss what a brand can do for you as a freelancer. Consider two examples:

- **Example one**

You and another freelancer are both competing for a job. You have similar styles of work and competence. Your price is double that of the other freelancer. Part of the reason your price is high is that you have cultivated a brand of service.

Materials such as your website define the level of service you provide. They are laden with testimonials from other clients and language that focuses on the customer. You have a polished set of business cards and stationery and when you meet your client you present them with a folder explaining what you do. Your competitor on the other hand has a standard website and persona. There are many clients who will give you the job and pay the higher price. Why? Why do some people buy a *Rolex* and not a *Casio*? Does a *Rolex* really keep better time? It may do or it may not – it is our perception that is the deciding factor.

- **Example two**

Consider two freelancers who specialise in Search Engine Optimization – the art of getting a website found by searchers. Both have similar skill levels and services, however one publishes a well-read blog on the latest SEO techniques, has a popular book on the topic and regularly makes appearances on other blogs, forums and websites. This second freelance has taken time to create recognition of their name and a perception of being an expert in the field. Who do you suppose would get more work? Who could charge more?

Branding when used effectively can lead to more work, higher perceived value and premium prices. This is why the branding of your business should be one of your top priorities.

You as a Brand

The best place to start with branding yourself is to consider what it is you stand for. How do you want customers to see you? Although you may be tempted to list every positive adjective you can think of, try to focus on only one or two. A brand is always more powerful if it has a clear and concise message.

Some things you might like to stand for are:

- *Quality*
- *Experience*
- *Value*
- *Service*
- *Expertise*
- *Efficiency*
- *Reliability*

Your aim is to own a word the way *Volvo* owns 'safety', *Mercedes* owns 'engineering' or *BMW* and owns 'driving'. Sure *Volvos* are about driving and are well engineered, but it is 'safety' that people would identify as their defining trait.

Similarly a freelancer might give good service and be an expert in their field, but have clients identify them with 'Experience' and hence trust them with important jobs. Alternatively a freelancer could decide that they are all about 'Value' and 'Budget' and build a brand that promises clients that they will get a good deal. Yet another option would be for a freelancer building a brand around 'Expertise' who works on developing an industry reputation to bring in prestigious projects.

ROCK* TIPS

Some consider branding to be no more than a logo and aesthetic style, but it is so much more. Here are some of the areas you should think about branding – remember that each of these should reflect your core branding value:

[VISUAL] *Logo*

Colour scheme

Photography style

Fonts

Signage

Promotional materials

Your physical presentation (hair style, clothes, etc.)

[COMMS] *The tone and mood of your written materials*

Answering machine message and email auto-responder

Email style

Level and speed of service

Work processes

Invoice style, language and terms

Your contract

Whether you use the first, second or third person in copy

[ONLINE] *Email signature and format*

Website usability

Ways to contact you (form, email address, phone number, Skype)

Your blog (personal or business)

A photo of you

Your portfolio website

What types of work you show on your portfolio website



To create an effective brand you need to decide what you represent and then express that value in everything you do. The word you have selected will form your core brand value.

Of course the most important part of this brand is you! So it is important that it reflects your personality and disposition. Many people deliberately hire freelancers as they want to deal with a person as opposed to a larger business, so it's important not to feel you have to be something you're not.

Building a brand will take time and it will likely be something that develops with your freelancing career. However, it is important to decide on your core brand value right from the start, so that when you do create branding elements they express a unified message.

Naming Your Business

The cornerstone of every brand is the brand name. For a freelancer that will be your business name. Here are some of the qualities you should look for in a name:

- **Easy to spell**
Ideally your name should only need to be spelt once to a new client. Names that are difficult to spell should be avoided as clients may mistype when searching, emailing or worse, recommending you.
- **Easy to pronounce**
A name that is easy to pronounce is inherently more memorable. It will also mean clients don't feel silly saying it when they recommend you.
- **Short and memorable**
The shorter a name, the more memorable it will be.

- **Relevant domain name**
As the web is such an important element for marketing and branding, make sure you can find a relevant domain name before settling on a business name. While you don't need anything glamorous, it should still be related and reasonably short. Your domain name can have your country suffix, which should make it easier to find a reasonable domain.
- **Reasonably unique**
The less common a brand name the better. The whole point of a brand is to stand out, not fade into a mass of similar names. Before making your decision, search for similar business names in your industry and or profession. If another business has a similar or identical name, you may want to keep looking for a more unusual name.

Some freelancers choose to use their own name as their business name, while others do not. Here are some of the advantages and disadvantages of each:

- **A personal name** (e.g. *John Smith Design*)

The advantages of a personalized name:

- Easy to come up with,
- Often unique (depending on your name),
- Descriptive,
- Often easy to find a domain name for,
- Memorable, and
- Usually easily Googled.

The disadvantages of a personalized name:

- Not appropriate for expansion,
- Will not reflect your creativity, and
- Will probably not reflect your brand values.

ROCK* TIPS

When we set out to name our graphic and web design business, this is the process we took:

- [STEP ONE] We defined our core brand
We wanted to be the type of business that considered more than just the bottom line. We decided to give 10% of our time to not-for-profit projects, consider things like environmental and cultural impact, and give back to the community. Wherever possible we wanted to work with businesses that shared a similar philosophy to business. So our core brand value became ETHICAL DESIGN.
- [STEP TWO] We took our core brand value and brainstormed related words
We brainstormed around our core brand value ETHICAL DESIGN and eventually came up with the word GOOD. We felt it encapsulated our brand value and was memorable, but knew it was too common as a word to work alone. We extended it to GOOD CREATIVE as the word 'creative' would not limit the types of projects we could pitch for.
- [STEP THREE] We searched for other businesses with our name
Using Google we found a couple of other design agencies that used the word GOOD in their names, but they were located in other countries. We decided that this was okay as long as we differentiated our branding enough.
- [STEP FOUR] We chose a relevant domain name
We ended up choosing THEGOODNESS.COM.AU but in retrospect that was not the right domain name to choose. It created confusion over whether our business name was GOOD CREATIVE or THE GOODNESS for many of our clients. We should have named it an extension of GOOD CREATIVE instead – like GOODCREATIVESYDNEY.COM or GOODCREATIVESTUDIOS.COM would have been far better choices in retrospect.
- [STEP FIVE] We asked around
We asked our friends, families and colleagues what they thought of our name. Did they feel it tied in with our brand message? Could it be misconstrued? We got positive feedback so we decided it was indeed the right name for our new business. We registered it as a business name, purchased the domain name and got started!



- **A non-personal name** (e.g. *Click Photographic Services*)

The advantages to a non-personal name:

- You are free to find something catchy and fun,
- Can reinforce your core brand values,
- Can reference your services, and
- You can keep the name if you choose to expand.

The disadvantages to a non-personal name:

- It will be harder to find a name that reflects you, and
- It can be very hard to find an appropriate domain.

If you choose to use a non-personal name it can be worthwhile finding something that reflects your brand value, however this isn't essential as you can build brand value into a name. For example *Xerox* inherently means nothing, however over time for customers and the public it has come to mean various things – quality, efficiency and so on.

Your Logo, Business Cards and Materials

A large part of any brand is its visual elements. These are often referred to as a graphic identity. The most important thing to remember when developing your graphic identity is to think of every element as part of one core message. Your logo, colours, font choice, and graphic elements should be consistent across all of your materials, as if they are all from the same family. This unity of expression makes for a very professional image. Some of the materials you might apply your graphic identity include:

- Business cards
- Letterheads
- Email signatures
- Website

- Brochures or folders
- Documents such as invoices, quotes, estimates

Your graphic identity should reflect your brand value and your personality. The colours, fonts, elements and design should ideally tell the viewer something about you and about your work, and should always reflect your core brand value.

Consider product packaging in a supermarket. What is it that makes certain products look like they should cost more, like they will taste better, like they will be superior to the no-name version next to them? Freelancers are certainly not food items, but the same principles apply. Solid visual branding can make you look like a contender, increase the worth and value of your services and win your projects.

Hiring a Designer

If you aren't a designer yourself, it is essential to hire another freelancer or design agency to produce a logo and at least some business cards for you. If you are on a tight budget often a designer can work cheaply if you forfeit your right to ask for revisions and multiple design options.

When choosing a designer, first consider what aesthetic would best express your core brand value. Find a designer that has work in their portfolio that has a similar aesthetic.

Buy or borrow print design books and find three samples of the style you have chosen for your brand. If you're on a tight budget this will help your designer quickly and easily understand the look and feel of your intended brand. Once this is done, if you have hired a talented designer you should be able to let them guide you to the best solution for your needs.

Interim Design Solutions

For some freelancers, hiring a professional designer just isn't an option yet. For the new freelancer money can be tight, and you may need to come up with an interim branding solution. If that's the case for you,

follow these steps to create something yourself:

- (1) Select a font that you like. Choose something simple!
- (2) Choose a simple 2-3 colour palette. You can find lots of palettes to choose at *Adobe Kuler* - <http://kuler.adobe.com>. Consider your branding message when choosing your palette. For instance, a corporate brand might stick to black, navy or grey, or an environmental brand might utilize greens and browns.
- (3) Write your business name in your chosen font. Use only one colour for one word business names. If your business is two words, you can use one colour from your palette for each word. Never use more than one colour in your logo. Your aim should be something like the *Sony* logo - very simple and understated. Use this logo and typeface on any document you create.
- (4) Get a small number of business cards printed. The best service we've found is *Moo Mini Cards* - <http://moo.com>. Find a stock photograph you feel expresses your core brand value in an abstract way and use that for the back of the card. Make sure the colours in the photo complement the colours in your chosen palette. *iStockPhoto* - <http://istockphoto.com> is a good place to look for stock photography.
- (5) Hire a professional designer as soon as you can afford to. The directions above will never replace the work of a professional designer! The work of a professional designer will make all the difference to your brand and perceived professionalism.

Your Website

For most freelancers a website is the single most important piece of branding and marketing they will do. A website is not only the first port of call for many new clients, it showcases your portfolio, is a marketing tool in its own right and can produce new leads through listings in search engines and directories.

Again unless you are a professional web designer, you should hire someone to design and build a website for you. If you are on a tight budget you can try one of the following services which offer customizable template websites as an interim solution:

- **OtherPeoplesPixels** - <http://otherpeoplespixels.com>
A solution for artists and designers to get their work online quickly and easily. Choose a design then fill it with your work! It costs between US\$8 and US\$25 per month and is suitable for a web novice.
- **Wordpress** - <http://wordpress.com>
Wordpress has a free blog service where you can set up a blog style business website. It has design and layouts to choose from and is suitable for those with at least a bit of experience with the web. If you want to use your own domain you need to upgrade to a US\$10 plan if you already own your domain, or US\$10 if you want to purchase one through them.
- **FolioSnap** - <http://foliosnap.com>
FolioSnap offers self-managed portfolio websites for creative people. They offer more features and better designs than the other two options, but cost more too. Prices range from US\$19 to US\$59 per month with a two week trial.

Here are some important considerations to bear in mind when creating your website:

- **Brand your website**

Your website is the jewel in your branding crown. Make sure it emphasizes your core brand value at every turn through, look, feel, language and usability.

- **Aim your website at your clients**

It seems obvious but freelancers sometimes make websites that are unconsciously aimed at people in the industry. Remember clients aren't necessarily interested in cutting edge design or inventive navigation systems. Generally speaking clients are interested in one thing – themselves. When they are viewing your website they are thinking about how you can help them and their business. Keep this in mind and make sure that your website helps them to see why they should hire you.

- **Give your website some personality**

As with all the elements of your brand, your website should represent YOU. There is nothing worse than a website that feels 'standard' or is filled with stock business photography and vague marketing language that doesn't really say anything. Make sure your website sounds and feels like you.

- **Consider including testimonials**

Client testimonials can be a fantastic tool to lend credibility to a website. Some freelancers are nervous to ask for a testimonial, but most clients will be happy to provide one if they are satisfied with your service. If the client in question has a recognizable brand name then the endorsement will be all the more powerful and will prove effective in convincing new clients to choose your services.

- **Describe what you do in laypersons terms**

You may know all about what you do and what services you provide but most prospective clients won't clearly understand what you do and how it can benefit their business. Use language a layperson could easily understand and term everything in the context of it's usefulness to your target market. Try to think about what information you would like to see if you went to another freelancer's site. So for example if you are a designer, what details would you want if you visited a programmer's website, and vice-versa. Explaining clearly your services ensures your prospective client will see what it is you can do for them.

Hiring a good copywriter will make all the difference to your communications, and give you that extra element of professionalism. Of course if you can't afford a copywriter right now you can write your own copy, but nothing can replace the work of a qualified professional.

- **Have an easy call to action**

After visitors to your website have learned about your services and have decided that you are someone they want to work with, make sure they have an easy way to contact you. This might be a form to request a quote, a telephone number, an email address or all three. Emphasize your contact details on your website – don't just have a small link tucked away somewhere. Remember you are a business and the call to action is one of the keys to converting an interested party into a paying client.

In *Chapter 5 – Getting Work*, we'll discuss your portfolio and more about your website.

Building Your Reputation

You can build your reputation on three levels:

- **Amongst clients**

When you do consistently good work you will naturally develop a positive reputation amongst your clients. Every freelancer should strive to build a strong reputation with their clients as it leads to referral work and repeat jobs.

- **Locally**

Being known in your area is one step better as you will be get work from unexpected sources who may have heard of you even though you haven't heard of them. This is the first step to having a reputation that proceeds you.

- **In your industry**

If you are known as being amongst the best in your industry in a specific area or overall, you will be able to command far higher rates as well as better jobs. As an expert, you will also earn the respect of your clients, and your suggestions and input will carry more weight.

ROCK* QUOTE

One of the best ways of becoming a successful freelancer is to become the person people want to do business with... When looking for a new freelancer I'll get a much better sense of their interests and abilities though their blog than I'd ever get from reading a resume. It's a great marketing tool, so if you don't have a blog, you should set one up straight away.

Andy Budd

7 Habits of a Highly Successful
Freelance Web Designer
AndyBudd.com



Sometimes you may not even need to be amongst the best to be well known. You may simply be outspoken or have a knack for generating publicity.

A reputation takes time to build and requires you be genuinely good at what you do. You should be aiming to build a reputation that reinforces your brand value, however a natural part of any reputation is expertise.

Building a reputation is dependant on three elements:

(1) You must do something to set you apart

The actions you take to improve or expand your reputation depends on whether you want to focus on your industry, clients or your community at large.

If your focus is your industry you might speak at an event or create a local group.

If your focus is the community at large, you might speak at your local chamber of commerce to small businesses wanting to learn more about your industry, or create a blog that offers information to those wanting to learn more about your industry.

If you are building a reputation amongst clients you might aim to win awards, produce consistently good work or provide amazing levels of service that people can't help but talk about.

(2) You must generate publicity

Building a reputation is to become renowned or famous in one area. To do that you must be noticed. This means networking, being seen at events, or volunteering for not-for-profit activities. Your aim should be to network and become widely known in your industry or community.

(3) You must be consistent

The reason a reputation takes time to build is that it must be done consistently and over time. You can't provide great service to one client and not to another and expect to maintain a reputation for great service. Similarly you can't build a reputation as an expert by writing a single article or winning one award. You must repeat your achievements and develop your reputation over time and on a consistent basis.

Although difficult, building a reputation will reap rewards. You will gain respect in your industry and from clients, you will win better jobs and your rates will be a reflection of that.

3

The Working Day

As the new master of your working destiny, you now have full control and responsibility for your working day. That means thinking about productivity, organization, the environment and how you can make the most of your new found freedom!

Home or Office or ...

One of the first things you should decide is where will you be doing your work. Before you wave goodbye to commuting and don your pyjamas let's look at three scenarios:

Home

There is something very relaxing about working from home. Perhaps it's the familiar surroundings, perhaps it's the fact that at any time you could go take a nap on the couch. Home is where most freelancers begin their careers. Here's a look at the benefits and drawbacks, as well as some tips for working from home:

The benefits:

- **Super cheap**

Perhaps the biggest draw of working at home is the price. Since you're already living there, you won't have extra rent or bills. You can make use of existing phone and internet connections, and you'll be able to claim back from tax many of the things you were paying anyway. Claiming part of your rent or mortgage payments and bills against your tax can save a lot of money.

- **No commute**

Commuting to and from work in a big city can eat up valuable hours every day. Along with the wasting time, it can also be a pretty frustrating and stressful experience. Work at home, however, and you kiss all that goodbye. The only commuting you'll be doing is down the hall!

- **Nice and quiet**

Depending on your situation, working at home can provide a very quiet environment for you to work in. With any other residents usually at work or school, you will have a more peaceful environment to work in than to most offices.

- **Personal routine**

Working from home gives you flexibility to fit in your personal routines. Whether it's an exercise regime, making lunches to save cash or just an afternoon siesta that you love to take, when your workplace is your own home you can do pretty much whatever you feel like.

- **Works well if you have children**

If you have children, young children in particular, working anything resembling 'normal' hours can be challenging. When you choose to work at home you can fit your work schedule around the rest of your life, not the other way around.

- **Relaxed and casual**

Working from home can be very relaxed. In fact, unless you have clients visiting you can even work in your underpants!

The drawbacks:

- **Doesn't look very professional for clients**

If you are in an industry where you need to meet with clients it can be difficult to work at home. At some point a client will offer to come see 'where you work', and some of them will be insistent! There's nothing to stop you inviting them to your home, but most freelancers will feel a bit unprofessional and inappropriate doing so.

- **Clutters up your home**

Most of us have enough clutter in our homes without adding desks, computers and office equipment into the mix.

- **No separation between home and work**

One of the biggest problems when working at home can be the lack of separation between work and the rest of your life. Rather than switching off in the evening you can't help but feel that maybe you should finish that project instead of relaxing. Or instead of waking up on the weekend feeling like you have the day off, you still feel a little like you are at work.

- **Strange hours**

Nothing is more conducive to working bizarre hours than working from home. Where once you woke up at a decent hour, worked a normal day and then had evenings off, you suddenly find sometimes you work late into the night, or sometimes you take mornings off and then make it up by working Saturday afternoon. This does afford a lot of flexibility, but sometimes it's good to know that you've put in a solid days work and you can enjoy your evenings and weekends like the rest of the working world.

- **Always in the same place**

And finally, unless you go out a lot, you are always in the same space. You wake up there, you spend all day there, you spend all night there. It's a little like being in prison... well, not really, but you get the picture.

Tips:

- **Have a separate space**

If you can set up your workspace so that is separate from the rest of the house, this will help you separate your work from the rest of your life. Working on your dining table or on the couch will not only make it hard to concentrate on work, but will make it hard to relax in that space too.

- **Keep it near the front door**

If you need to meet clients, keep your workspace near the front door. That way you won't need to guide your client through the house to get to it.

- **Get out more**

When you worked in an office you couldn't wait to get home and throw yourself on the couch to unwind. When you work at home all day, you need to get out to unwind. Whether it's taking a walk or going out on the town, make sure you spend time out of the house as well as in.

Office

Renting a small office either in town or near your home can be a great way of keeping your work and home life separate. It's also quite fun putting together your own office. Somehow it feels very satisfying knowing you have your own personal office for your business. Here's a look at the benefits and drawbacks, as well as some tips for working in an office:

Benefits:

- **Looks and feels professional**

Where working at home can look and feel very unprofessional, an office has the opposite effect. Having clients come to visit is not a problem and you will most definitely enjoy saying things like *'my offices are located at ...'*, *'step into my office'* and *'drop by my office tomorrow'*.

- **Separates home and work**

Having your work take place outside your home goes a long way to keeping life and work separate. As a business owner you will find work still has a way of worming itself into your thoughts more often than an employee, but at least when it does there won't be a computer a few steps away from you.

- **Forces you to switch off and go home**

Strange as it sounds, the act of going home can be a good period to switch off from work. Whether you are walking, driving or commuting back, having a little time to debrief yourself isn't always a bad thing.

Drawbacks

- **Expensive**

If you are just starting out, the added cost of office rent can be crippling. Unless you have plenty of cash reserves in the bank, moving to an office is probably a step to take after you've been working for a few months.

- **Might bring back memories**
Plenty of people become freelancers to escape the office, not to create a new one. If this is you, enjoy working from home before you hurry to recreate your past.
- **You have to commute back and forth**
Again if you are trying to escape commutes, then having an office you have to travel to could just be more of the same.

Tips:

- **Start small**
Tempting as it is to rent a giant workspace and deck out your new office in style, you should start small. Over time you'll have a chance to build up a slick workplace and take the cost in small lumps instead of one big hit. And if your budget allows it you can always move up to a bigger office later.
- **Get somewhere nice and light**
Cheap offices can be like prison cells. Avoid a neon lit office with no windows at all costs. You want to be a freelancer to make your life better, not worse.
- **Get a place nearby**
Most built-up areas have offices for rent so you don't necessarily need to rent a space right in the heart of the city. Rent somewhere close to your home so you can minimize the commute.

Elsewhere

Although at first glance it appears that your choice of workspace is limited to home or office, there are alternatives. Using a public library is a particularly good option as the quiet, the facilities, the internet access and the general hum of the place are all great for working and saving on office rent and ISP bills.

Other options include coffee shops or working outdoors. You will require a laptop to make use of these different locations, but if you have one it can be well worth it to experiment, especially if you are finding yourself spending too much time at home.

A Happy Workspace

It is important to spend the time to properly set up your office. After all you will be there for a good portion of your waking day (and sometimes night!)

It's not difficult or necessarily expensive to create an efficient and comfortable workspace. Rather it's a matter of taking the time to get it right.

The Ergonomic Workspace

Whether you work from home or in an office, there are easy ways to optimize your workspace for productivity and health. The ideal workspace will minimize your risk of injury and will make it easy to stay organized. Here are some factors to consider:

- **Your location**

Ideally, your desk should face the door, so when you are seated you are facing it. This is not only the position found to be the most calming for the occupant, but is also the most welcoming for someone entering the room.

- **Natural light**

If at all possible, find a space with a good source of natural light. A window allows you to give your eyes a break by looking out every so often, not lose track of time, improves your mood and lessens eye fatigue from looking at a bright screen. Plus if you are a graphic designer or illustrator, natural light will help you view colours accurately on printed materials.

- **Your chair**

In all likelihood you will spend at least eight hours a day in this chair, so it is worth investing in a good one. When looking for a chair, it is best to go into a store and sit on the chair before purchasing it. You may wish to find a better price online after that, but don't skip giving it a test-sit, so to speak.

If you don't have an office budget, let alone a chair budget, you may want to try an exercise ball. They cost around US\$20 to US\$30 and makes a great interim office chair. Exercise balls help your posture and increases core abdominal strength, which will help you avoid back pain. When purchasing an exercise ball, go to a fitness store and get assistance finding the right size for you.

- **Your desk**

It is pivotally important that you get a desk that is the right height. Work on a desk that is too high or too low and your posture and circulation can suffer, increasing the risk of strain and injury.

- **Your screen**

It is important to adjust the brightness of your screen. A good rule of thumb is that your screen should not be brighter than the brightest point in your room. This means you should never work in the dark!

Glare or reflections on your screen can be very distracting, not to mention bad for the eyes. Avoid facing your screen towards a light source.

Finally your screen should be at least an arm's length away from you. When seated, you should have your screen positioned so that you are staring straight ahead with a relaxed neck.

- **Your keyboard**

Your keyboard should be relatively close to your screen, so that when you type your elbows can rest on your desk. This puts your arms in a resting position and reduces the strain on your wrists.

Tips and Tricks For Your Workspace

Along with ergonomic considerations, there are other factors involved in optimizing your workspace. Here are some tips and tricks:

- **Lock your workspace door**

If you have unruly kids or pets, get a lock on the door and get used to using it when you leave your desk. It may feel strange to lock a door in your own home, but keep in mind that your livelihood is behind that door. Little accidents like a spilt drink or a deleted file could cause serious consequences. If you do choose to lock your door when you're away from your desk, give a key to someone you trust also, just in case.

- **Buy some sound-isolating earphones**

You don't want your neighbour's construction or heavy-metal marathon ruining a whole day's work. These cost between US\$30 to US\$80, depending on the sound quality and protection you want.

- **Keep it light**

If your space feels dark, get a cheap mirror and place it opposite a window. This will increase natural light and give the impression of a larger room

- **Empty the room of clutter**

Since you'll be spending a lot of time in your office, it's worth keeping it clutter free. If there's anything in the room that is not related to your business (a spare bed, boxes or exercise equipment for instance), move it somewhere else. The space should as feel roomy and airy as possible.

- **Avoid patterned or dark walls**
If your space is a dark colour or has patterned wallpaper, consider painting it white. White walls keep you alert and if you are a designer looking at printed materials, the reflections won't alter colours.
- **Consider a bulletin board or white board**
These are all terribly handy for organisation, and if you place them a little ways away will make sure you occasionally get up out of your chair!

Equipment

One of the most exciting parts of setting up an office is buying the equipment to fill it. Here is a list of some items you might consider:

Computer

Important for: All industries.

Your computer is amongst the most important pieces of equipment you'll own. Where you may wish to scrimp on some other things, it's worth investing in a reliable computer that suits your industry and situation, and that you love working on.

Colour Printer

Important for: graphic designers, photographers, web designers, illustrators.

Colour printers are far less expensive than they were in the past, so you can get one for US\$150 to US\$500. When purchasing a colour printer, factor in ink and paper costs too. Quality inks and papers can be very expensive and add up quickly. A more expensive printer can in fact be more economical when inks and paper costs are taken into account. Aim for a printer that has separate ink cartridges - that way you only need to replace the inks you've used up. It's kind to the environment too.

If you are often going to be printing pages of text as well, it can be more economical to buy an additional cheap black and white printer. Printing out pages of text on a colour printer will send your ink cartridge expenditures skyrocketing.

Black and White Printer

Important for: Writers, copywriters, translators, project managers

Black and white printers are extremely cheap (as little as US\$50) and essential for almost any office.

Fax Machine

Although many of us would not use a fax machine any more, you'll still find many clients who will. Often you can get a printer/fax/scanner all-in-one and this can be a handy way to hit three birds with one stone. One tip when buying a fax is to avoid fax machines that use rolls of fax paper. Many faxes will now print to ordinary paper making it easier to refill.

There are also many services that allow you to send and receive files as faxes. Some examples are:

- **Flat Rate Fax** - <http://flatratefax.com>
- **Internet Fax Provider** - <http://internetfaxprovider.com>
- **Green Fax** - <http://greenfax.com>

This option works for anything except sending pages that need your signature, in which case you'll need a scanner or just a regular fax machine.

Scanner

Important for: Photographers still working with negatives, some graphic and web designers, some illustrators.

A scanner is useful if you regularly use physical materials (hand drawn or painted elements, old photos, etc.) in your work. A scanner will cost US\$150 to US\$600 depending on its speed and resolution.

ROCK* QUOTE

When you're working for yourself, backing up your data is your responsibility and duty to yourself and your clients. I'm embarrassed to admit I've learned this the hard way - twice! Ow! It's embarrassing because it's so simple to backup your data! My problem is I don't think about the techie, networked blah blah side of my business (like many designers) until something blows up in my face and I find myself sprawled on the floor crying, hands flailing in the air - as if to catch the missing data. Not pretty.

Jen Gordon
Top 10 Mistakes Made
by New Freelancers
FreelanceTipster.com



Backup

Important for: All industries.

Almost every seasoned freelancer has a nightmare story of losing client work and not having a backup. Ideally you should be backing up your work daily. If you lose work you might repeat days of work (unpaid of course), seriously upset your client and even get sued. It is your responsibility to keep your work safe.

One backup option is to invest in a portable hard drive. These cost between US\$70 and US\$200. The advantage of a portable hard drive is that it is fast, doesn't eat up your bandwidth and can handle huge files (especially important for graphic designers and photographers.) However, they can be expensive. Additionally unless transport them to another location after each use, you aren't protected against a physical mishap, such as fire or water damage or even theft.

A second option is to use remote backup. Remote backup systems will update relevant files via the Internet. These systems generally work via subscription and cost around US\$5 to US\$20 per month for your average freelancer. You can set most of these systems to backup your files automatically every time you log on to the web. This is a big advantage, especially as they are able to only backup the files you have edited since you were last online.

Because a remote backup is out of your office completely you are safe against anything but the worst of luck.

The disadvantage of course is that if you have very large files remote backup systems will eat up your bandwidth, take a long time to upload, and slow your internet connection down.

Some services to look into include:

- **Mozy Pro** - <http://mozypro.com>
- **SOS Online Backup** - <http://sosonlinebackup.com>
- **Backup Right** - <http://backupright.com>

I would recommend using these two both a remote and local backup system in tandem.

Finally you should always burn DVDs of completed projects, send one to your client and keep one for your archives.

Surge Protectors

Important for: All industries.

Surge protectors aren't often mentioned when it comes to essential workspace equipment, but they can save you a great deal of money. Surge protectors stop a surge of electricity destroying your equipment. They cost around US\$20 to US\$50, are easy to use and could save you thousands of dollars in damaged equipment.

Avoiding Repetitive Strain Injury

Repetitive Strain Injury (or RSI) describes a group of conditions that arise from overuse of the computer. It affects muscles and nerves in the back and arms when these areas are kept tense for long periods of time due to repetitive motions, poor posture and stress.

Freelancers are at high risk of developing RSI for the following reasons:

- Many freelancers work in unconventional and non-ergonomic setups (on our laptops, on the couch, in bed, etc.)
- Many freelancers work late at night and/or very long hours on a regular basis.
- When working alone there are less natural distractions to force us to get up or at least reposition our bodies (meetings, coffee breaks, trips to the photocopier, etc..)
- There are no such things as sick days or paid personal time for freelancers, so when we do see early warning signs we are more likely to ignore them.

Freelancers need to be more aware of the risks RSI poses. Not only is RSI a miserable condition to have, but it can impair your freelancing career if it gets bad.

Happily, some simple steps will help avoid injury.

Warning Signs

Look out for:

- Pain in the upper body, such as in the neck, shoulders, upper back, wrists, hands or fingers.

- Tingling or numbness, as though the affected area has lost circulation (this can also sometimes be present when lying in bed at night.)
- Weakness or fatigue in the affected area.

Good Posture

Firstly, you should position your chair correctly. Start by pushing your hips as far back as they'll go in the chair. Sit with your feet flat on the floor, and if necessary adjust the seat so that your knees are on the same level as your hips.

If you have armrests, adjust them so that you can lean on them with your shoulders relaxed. If your shoulders have to hunch at all for your arms to rest comfortably on your armrests, either adjust them or take them off completely.

Finally, adjust the back of your chair so it is completely upright. Your whole back should feel supported. If not, you may want to add a small pillow or back support.

Work breaks

As mentioned earlier, many freelancers have a habit of sitting at their desk for hours on end without moving. As you can imagine, this is not what our bodies were designed to do. Keep your body happy by doing the following:

- **Every thirty minutes take a two-minute break**
Stretch out your neck, arms and back and get out of your seat. Jumping up and down a couple of times is a quick way to get your blood circulating.
- **Every hour take a five to ten minute break and walk around**
It only has to be down the hall, but make sure you get moving and give your eyes something else to focus on. If you're trying to drink more water you can get up every hour to drink

a glass. If you drink one glass of water every hour for a full workday of eight hours you'll be drinking the amount of water recommended for an adult.

- **Place objects farther than arms-length away from you**
Have objects like your telephone or stationery away from you so you need to get out of your chair to get them.
- **Look into the distance to protect your eyes**
Take care of your eyes by looking off into the distance at regular intervals. If you look into the distance and feel eyestrain or your vision is blurry, you know it's time to take a longer break.
- **Blink more**
Place your palms on something cool like glass or metal so they become cold, then gently rest them on your eyes for a moment. Most computer workers do not blink enough which can lead to dry and uncomfortable eyes.
- **Do not eat lunch at your desk**
We all get tempted to eat at our desk when we're facing a deadline (or just feeling lazy). Resist the urge and get outside if you can.
- **Consider dumping your mouse**
If you use your mouse a lot (illustrators, designers and photo retouchers in particular) consider buying a graphics tablet. Mice put strain on your whole arm, while a graphics tablet is more ergonomic and well suited for detail work.

RSI Software

It's easy to get lost in work. Fortunately there are special software packages designed to help you remember what you should be doing. Some tell you when to take breaks, others offer added features like exercise prompts and screen freezes. Here are some to consider:

- **Desk Doctor** - <http://einspine.com>
- **Time Out** - <http://dejal.com/timeout>
- **MacbreakZ** - <http://publicspace.net/MacBreakZ>
- **Workrave** - <http://workrave.org>

An Environmentally Friendly Workplace

There are lots of little things you can do to achieve an environmentally friendly workplace. Most things take relatively little effort and expense, and you'll get the warm fuzzies knowing you're doing your part. Here are some easy things you can do:

- 1) Switch off your computer at the end of the day.
- 2) Make it easy to recycle by placing a paper recycling tray on your desk and a bin for other recyclables below your desk.
- 3) Print on both sides of your paper, or use the blank side as note paper.
- 4) Turn off your equipment at the socket at the end of the day.
- 5) Buy recycled paper.
- 6) Don't put your printer cartridges and batteries in the bin. Most cities have drop-off points for these items so they can be disposed of properly.
- 7) Don't print out your emails unless you really need to.

- 8) Use a virtual fax service rather than having a physical fax machine.
- 9) Use natural light where possible, and install energy-saving light bulbs.
- 10) When possible, email rather than sending a courier or mail. Not only is it cheaper and more convenient, but it saves paper and energy. If you have a large file to send, consider using a service like:
 - **You Send It** - <http://yousendit.com>
 - **Drop Send** - <http://dropsend.com>
- 11) Buy a plant! Not only will your office look nicer, but your little plant goes a small way to purifying your air.

Being Productive

As a freelancer it's all too easy to lose focus, get distracted or find yourself wondering where the day went. Happily there are some easy ways to stay on track so you can meet deadlines without a night-before panic.

To-do lists

Organization and time management is an issue for any freelancer, and the best way to stay organized is by utilizing to-do lists.

To-do lists help you stay focused on the days and weeks ahead, and guard against forgetfulness when juggling a few jobs and clients.

One effective strategy is to utilize two to-do lists – one for long term and one for the following day.

- **Long-term to-do list**

The long-term to-do list has every project you have in play and what is required. It also has all the bits and pieces required for your business that need to get done.

- **Short-term to-do list**

Your short-term to-do list should be written out at the end of each day for the following business day. You should refer to your long-term list when drafting it up. If you number your list in relation to importance and urgency, all you need to do is sit down in the morning and follow your list, without having to decide what to work on first.

If you tend to put things off, you may want to put your unpleasant tasks first up in the morning, that way you can get them over and done with and reward yourself with 'fun' tasks later in the day.

The great thing about writing out your to-do list the afternoon before is that you won't be swayed by what you feel like doing that day.

Many people are happy with a paper and pen on their desk, but if you're a high-tech type there are lots of handy little apps to help keep your lists neat and tidy:

- **Ta-Da Lists** - <http://tadalist.com>
- **Backpack** - <http://backpackit.com>
- **Remember The Milk** - <http://rememberthemilk.com>

Time-tracking

Another great productivity habit is to track your time. Of course you'll need to track your time if you bill by the hour, but even if you don't it's a great idea to learn how long certain tasks take you. This will help you quote accurately in the future, see where you waste time and where you're really on the ball.

There are some great applications to help you keep track of your hours:

- **SlimTimer** - <http://slimtimer.com>
- **Tick** – <http://tickspot.com>
- **Harvest** - <http://getharvest.com>
- **PunchyTime** - <http://punchytime.com>

Dealing with Distraction

Working in an office for a boss is very different to working for yourself. It's much like going to college after high school – suddenly no one

cares whether you're there or not, and the temptation to slack off becomes very real.

ROCK* QUOTE

First, let me say that there should be room in your life for distractions. Work should be fun, and without a few distractions, things can get boring. That being said, when it's time to do a task, there's no reason to do it while handling a million other things. You'll never get things done that way. When you're ready to work on a task, block out all else, and really focus on it. Do your best on that task, and get it done as quickly as possible. Then reward yourself with distractions.

Leo Babauta
10 Ways to Eliminate
Distractions
FreelanceSwitch.com

As an employee you still get paid the same amount whether you work hard or not. You might get fired or miss that promotion if you slack off, but as long as you fly under the radar you can generally get away with a less than stellar work ethic.

When you're working for yourself, however, if you don't work you don't get paid. And when it's quiet, there's no boss around to make sure you stay at your desk. So you need to develop a good work ethic quickly when you freelance. Below are some tips to help you stay at your desk and work hard for the money.



- **Starting the day on the right foot**

Some freelancers can wake up a midday and work in their underpants until midnight, but for many that is a recipe for disaster. If you find it difficult to begin work sometimes, you may need to develop a morning routine.

A morning routine might include waking up at a reasonable hour, having a shower and getting dressed, and being at your desk in time for the commencement of normal business hours. This will help you avoid procrastinating on the couch (or in bed) and will have the added benefit that clients can contact you during their hours, which they will appreciate.

- **Strict deadlines**

For freelancers who tend to let a job go on forever unless it is an emergency, try making up a fake deadline then telling the client to expect it to be completed on that day. Once you tell a client when a job will be completed, you need to have it ready by that day. Until you get used to working to deadlines you might have a few sleepless nights, but an enforced deadline will ensure you get jobs done and get cash in the bank.

- **Regular business hours**

You may find it helpful to only work regular business hours. Most freelancers will tell you they work evening and weekends. Occasionally this is a necessary evil if you are making a deadline. However, telling yourself you can work in the evening or catch up on the weekend is a great way to procrastinate and avoid harder tasks.

Try your best to work regular business hours and take weekends off. Knowing you have to leave your desk in an hour is a great incentive to pound out a project.

Staying on Top of Your Game

As a freelancer you must continually improve and hone your skill set if you want your service to stay valuable and in demand. This is true no matter what field you are in, but it is perhaps most critical for those fields where you work with technology - industries like programming, web design, or flash animation. Even if you are a writer, graphic designer or illustrator, keeping up with current styles and new ideas is invaluable.

When you work in a job where you are surrounded by others, or when studying your trade at university, you will naturally feed off other people and push yourself to compete. As a freelancer, often working alone, you can easily fall into a vacuum where your current level of expertise feels 'good enough'. Give in to this and your service may lose value over time.

Unless you have a burning urge to improve, you may find it helps to put yourself into situations that force you to push yourself. There are many things you can do to help keep yourself at the top of your game:

- **Go to industry events**

Attending special lectures, conferences, user groups, industry associations and other events is a great way to keep up to date with what is happening. There are also lots of great networking opportunities at these places so you have two reasons to attend!

- **Subscribe to industry magazines**

Staying up to date doesn't have to be hard work. Grab a few magazine subscriptions and read up in your spare time. The great thing about this approach is magazines are designed to be accessible, easy and fresh.

- **Chat regularly to other people in your line of work**
Whether they are freelancers or regular workers, keeping in touch with people who do the same job as you will naturally lead to conversations about work. Whether it's meeting up for coffee, chatting on IM or exchanging emails now and again, you will benefit from the contact.
- **Regularly buy books (and read them!)**
We love the web, but nothing replaces the feel, smell and weight of a book. Buy them. Read them. Get better.
- **Surf the web and check out sites in your field**
There is so much great information out there, and plenty of people to chat with and learn from.
- **Write a blog or teach on your area**
Teaching others or providing commentary in the form of a blog or magazine column inevitably forces you to keep up-to-date. Writing helps build your reputation, and by teaching, you are forced to think something through in much more detail than you normally would, increasing your understanding as you help others to learn it.
- **Regularly scout out competitors and what they are doing**
Not only will you see related work but you are quite likely to scare yourself into action if your competitors are getting too far ahead. Even better: become friends with your competitors, there may be chances to collaborate that will benefit you both.

Often with the passage of time a freelancer can lose some of their early enthusiasm and the thirst for knowledge may dissipate. The more this happens, the more important it becomes to fuel that passion externally to keep driving yourself forward. Being at the cutting edge will make your services that much more marketable.

Freelancing Loneliness

One of the most insidious and unconsidered aspects of freelance life is loneliness. At first working alone every day sounds wonderful – no one to distract you, and the freedom to come and go as you please.

However, many freelancers find that after the first couple of weeks they miss not only the friends at work but even the annoying co-workers. This is particularly true if you live and work alone. Suddenly that enforced socializing is gone and you can find yourself mumbling to your goldfish. Here are a few strategies to avoid freelancing loneliness:

- **Meet or call clients and colleagues regularly**

The word networking tends to make many freelancers nervous, but often networking can be nothing more than a coffee with an old client or a quick phone call to an old colleague to check in. Getting in touch will remind someone you exist (so that next time a job comes up you're fresh in their mind) and give you some human contact. Aim to call or see a current or past client or colleague at least a couple of times a week.

- **Go to industry events**

Industry events are perfect for staying at the top of your game, and they can be a great way to ward off loneliness. Just being in an atmosphere with your peers, where you can discuss your work can be very refreshing for the work-at-home freelancer.

- **Take a walk every day**

Exercising is extra important for the work-at-home freelancer, as working from home removes whatever exercise you used to get during your commute. Exercising outside or at the gym is a welcome change of scenery and a good way to fend off loneliness.

- **Get a hobby**

Having a hobby becomes a lot more important when freelancing, especially if that hobby involves interaction with other people. A Friday night poker game or being part of a sporting team can help you get that extra social interaction in.

- **Get a pet**

Having a pet is like having a little furry colleague with you all day long. People who have pets on average live longer and are happier, and if you work at home, you are perfectly placed to take good care of a pet. Dogs are especially good as they need daily walks, which are great for meeting other dog owners and getting some exercise.

- **Work somewhere else**

If you have a laptop and are feeling a bit low, try working in a coffee shop or even the library for a few hours. Being in a busy and loud environment may be just what you need to remind yourself how much you enjoy the solitude of your workspace.

- **Get a share office**

If working at home is really making you crazy, you may want to consider working in a share office with other freelancers. If you can find one with other freelancers in complementary industries it can be a great asset to your business too.

4

Getting Your First Projects

Chasing your first projects is the hardest as most freelancers have a fairly empty portfolio and few contacts. Fortunately as you win jobs and complete work you will begin to get referrals, steady clients and a portfolio to be proud of.

In this chapter, we'll discuss how to find those first leads, present previous work, pitch yourself and get new projects!

Your Portfolio

It is essential when looking for new projects that you have a way to show any previous work you may have. How you present this previous work depends largely on your profession and preference. Though the term isn't standard for all professions, for our purposes we will refer to the body of work as your portfolio.

Before a new client hires you, they are going to want to see your portfolio. Your clients want assurance beyond your word that you can deliver the goods.

A key element of your portfolio is your website. Since a website is often the first point of contact a potential client will have with you, it allows them to see what kind of work you do and whether you're worth contacting for a consultation.

In addition to your website, you may need a physical portfolio to present at meetings and pitches. This physical portfolio could be the same as the work shown on your website, a shorter, more hard-hitting version or a completely different set of work specially tailored to the project or client.

Format

There are a few ways you can format your portfolio:

- **Case Studies**

Presenting work as a case study could be showing an image (if there is one) and writing about the project. A case study will often highlight your contributions to the project, why you chose to do what you did and how it benefited the client.

Case studies can be used for any profession but are particularly appropriate for programmers and developers where it is hard to show work visually or there are security issues with distributing code.

When presenting most of your work as samples or links you may like to choose 2-3 key projects and expand them into case studies. This can be beneficial for clients who have no previous experience in your industry. In describing the project and outcomes you have a chance to impress them with your skills and your ability to explain your service in a way they understand.

- **Samples**

Showing samples could mean extracts of written work, illustrations, designs, photographs or code snippets. This is the most common form of portfolio. A series of visual samples can be shown as a slideshow presentation. If you choose a slideshow format ensure you show your best work first – a client in a hurry may judge you on your first one or two samples.

- **Links**

For web designers and developers a series of links can suffice as a portfolio. Generally speaking this should be a supplement to samples or case studies.

- **Client Lists**

On occasion you may simply provide a list of clients for whom you have worked. For example, if you had written for The Wall Street Journal and Time Magazine, a reference to articles and issues could convince a client that you have more than enough expertise for their job.

Try to choose the format that you think your target market will respond well to, and which shows your work in its most favourable light.

What Work to Show

Generally the work you show in your portfolio is the work you are going to be considered for. Your portfolio paints you as a certain type of freelancer who does a certain type of project. This has some implications when putting your portfolio together:

- **Carefully consider which work to show**

If you are aiming to be a designer for big corporate clients, then showing grungy album covers probably isn't going to help you. Decide what work you want to win and make your portfolio relevant to that market. That may mean leaving out some of your best work if it is really off-base, which to many freelancers may seem counter-intuitive. However, leaving out irrelevant pieces will help you appeal specifically to your target market, which will win you more projects.

- **Stay focused but present some variety**

Some variety will show that you are versatile; however, too much variety will leave a client wondering what exactly it is that you do. For example, you are much better off looking like a great portrait photographer who can also do good corporate and architecture when necessary, than someone who is just takes whatever project comes along.

- **Tailor portfolios to jobs**

If you present a portfolio in person, tailor it to the project. If you are pitching for a certain type of project, make sure your portfolio presents you as a person who can handle that type of work.

If you are presenting your portfolio online you can still achieve this effect by categorizing your work effectively. Clients who are looking for a certain type of work will go straight to that category and unless they are particularly thorough will ignore most of your other pieces.

What To Do When You Have No Work To Show

There are a few reasons why you may have little or no work to show. Your previous employer may not allow you to show work done for them in your own freelancing portfolio, you may not have the sort of work you want to do now, or perhaps you simply don't have much experience.

As you might guess, there is only one solution. Do some work to bulk up your portfolio. Make up a fictitious brief that plays to your strengths and execute it, find a charity that needs your service, or do free work for friends or family. Of course it isn't glamorous, but you will be in a position to tailor your portfolio pieces to the types of projects you hope to get.

ROCK* QUOTE

You should have amassed a small pile of samples, each representing hours of toil. But, by definition, not all of it is your universally acclaimed Best Work Ever. So, skim off your A-list stuff to show.

That's not to say you should never show anything from your B-file. Sometimes, excellent work can lose its sparkle when seen in the cold, out-of-context light of a portfolio review... Because their target audiences are so exclusive, their quality may be hard to judge. Except by people who work in that category, who can appreciate what you've done. So, keep those in your back pocket, to trot out when you're pitching a client or an agency that lives in that category.

John Kuraoka
How to take your copywriting
portfolio to the next level
Kuraoka.com



Your First Leads

Finding your very first clients isn't always easy. When you decide to freelance you will have no past clients to work for or to provide referrals, you will have no ongoing projects and you will have little or no reputation.

The best place to turn to for your first leads is to people who do know you – family, friends, acquaintances and past employers or colleagues. The right people can keep their ears open for opportunities and spread the word about your services.

You may wish to work directly with family and friends. Many freelancers do and have great experiences, but you should be aware that mixing business and pleasure always poses some risk. Working for family and friends can be frustrating as they may expect much more than they are paying for or expect favours that may not be acceptable in a professional context. When things go badly with family and friends, the implications can be long-lasting.

Most often friends and family will not have any projects to offer you, but they will be more than happy to pass your business cards around or mention your new business to their network.

Here are a few important things to remember when chasing leads:

- **Tell people you are looking for work**

Don't expect telepathy -- start telling all and sundry that you have started freelancing and that you are looking for new clients. Explain to people clearly and succinctly what it is you do and ask them if they know anyone who might need your services. Give them a business card or three to pass on and make sure they have everything they need to help you land projects.

An effective strategy is to send out an email mailer to everyone you think might be able or willing to help. Make sure your mailer has enough information for people to pass on to someone they think is interested.

- **Take every opportunity that comes along**

As the old saying goes, “Beggars can’t be choosers”, so until you have enough projects and clients you should be jumping on any early leads. Even if the job isn’t glamorous it can lead to bigger and better projects, a larger client network and money to pay the bills.

- **Work cheaply when necessary**

Until you have an established reputation and network of clients and projects, you should consider taking on projects even if they aren’t at the rate you would like. If your aim is to build up a list of clients and get some freelance projects under your belt. Of course you still need to make money, but you should be concentrating on the positive impact a project will have on your portfolio and client base. It is here where your cash reserves come in handy to subsidize your early work.

Once you have the foundations of a good client network and portfolio you can begin raising prices and focusing on profits.

Advertising for Early Work

Another way to get those early leads is to begin advertising your services. This might mean taking out a yellow pages listing, ads on freelance job sites or in local directories. You can read more about marketing your services in *Chapter 10 – Marketing Yourself*.

Hitting the Job Boards

These days there are plenty of online freelance job boards where agencies and businesses will list freelance project openings. Scour them for opportunities that match your skill set. You can find a good list of job sites across the web on *FreelanceSwitch* – <http://freelanceswitch.com/finding/the-monster-list-of-freelancing-job-sites>

Like applying for regular jobs, applying for freelance projects requires care and thought in your application. Here are a few points to bear in mind:

- 1) Make sure you read the advert thoroughly and follow the application instructions to the letter. Nothing sets a negative tone quite like seeing that an applicant hasn't actually bothered to follow instructions.
- 2) Ensure that your portfolio website works properly and is complete, or that the links you send are correctly spelt and are relevant to the project in question.
- 3) Let a little of your personality show. Clients are just regular people and are aware that you are a freelancer, so feel free to let some personality into your application.
- 4) Be enthusiastic! Chances are the client thinks their project is interesting and they want you to be interested too. A freelancer applying for a project who sounds genuinely interested has a much better shot of winning the job.

Referrals

Probably the single best source of new work for most freelancers is referral by a current or past client. Not only do referrals usually happen organically but they most often begin with trust and positive expectation.

The problem with referrals is that most freelancers don't feel that they have any control over where and when it happens. Some months you might have countless new leads and others none at all, seemingly without rhyme or reason.

In this section we'll look at making yourself referable and how to actively encourage those referral leads.

Being Referable

There are some businesses, some products and some people that are just easier to refer. How do you, as a freelancer, make yourself more referable? To answer this question, let's talk about why you might NOT get referred on:

- You aren't very good at what you do,
- You aren't reliable,
- You are unpredictable,
- You aren't very likable, or
- You are overpriced.

In short, you might make the referee look bad in front of their friend or acquaintance. When a person refers you, they are essentially putting their name to your business so your actions will reflect on them – whether they are good or bad.

To be more referable you must either reduce that risk or make the payoff worth the risk for the referee. Here are some ways to do this:

Everything to Win

When a person refers on a winner, it makes them look good and they earn kudos with their friend or acquaintance. If you can prove yourself to be a success story then you are going to get more referrals. You can do this by:

- **Delivering high quality work every time**
Producing the goods not only for the person who might refer you, but also throughout your portfolio makes you a lot more referable.
- **Being very reliable**
If you answer every email within a few hours, pick up the phone when it rings, show up to meetings on time and deliver when you say you will, you'll find your 'referability' will skyrocket.

- **Pricing yourself well**

There is a place for really high prices, but not if you're looking for consistent referrals. If you are aiming to be referred over and over, you will either need reasonable prices combined with quality or reliability, OR prices so low that you're a steal even if you don't produce the best work around.

- **Be likable**

Clients don't need to love you, but they do need to find you pleasant and easy to deal with. People don't want to refer a freelancer who is patronizing, rude or just offensive. If you know you have a few personality traits to work on, do your best to hide them from your clients!

Nothing to Lose

Giving your referees the minimum possible risk means they are unlikely to look like foolish for telling their friends to actually *pay* you money. Here are some strategies to mitigate the risk:

- **Give a guarantee**

You should only do this if you are an **experienced** freelancer. Guaranteeing your work either with a money-back promise or endless revisions is not for the faint of heart. It can however be the clincher that means people feel safe referring you on. Use with caution.

- **Make service your middle name**

If you are all about service and keeping clients happy, then your referees will know that even when things go wrong their referrals are in good hands.

- **Free consultations**

If you provide a no-obligation, free consultation then your referee can tell people about you knowing that there is no immediate financial obligation on their referrals. This takes the pressure and onus off them and places it on your shoulders instead, where it should be.

Encouraging Referrals

There are only three reasons someone will refer work to you:

- 1) They want to help you,
- 2) They want to help the person they are referring, or
- 3) They want to help themselves.

If you want more referrals, you need to encourage these motivations and make it EASY to refer you. Here's how:

Incentives

A gift, commission or discount can be incentives for clients to refer you. Adding an incentive alone is often not enough, since whatever you offer is unlikely to make up for the possible risks involved. Incentives will only encourage a referee to move from *thinking about referring you* to *actually referring you*.

If you do offer incentives, it's important to do it with tact and care. You don't want your clients to get the impression that you are trying to buy them. Neither do you want their referrals to believe they were referred for some other reason than the quality of your service.

Ask and you shall receive

It can be difficult, but if you want more referrals you often need to ask for them! Many freelancers feel this will seem pushy, but there is nothing wrong with asking if a client can recommend you if they are happy with your service.

If you don't like asking in person, you could send an email to your recent clients, or include a note and business card with your next invoice.

Make sure they have the tools they need

Ensuring your referees have an easy point of contact - whether it's a website or just a business card to give out - means you are removing one more obstacle to getting those referrals. Always make sure that the phone gets answered, emails get responses and you follow up on those referral leads. Don't let them go to waste or you are unlikely to get referred by that person again.

Meeting New Leads

For most projects, a referral or client contact is just a foot in the door. Before you actually win the job you have to convince a potential client that you are the right person to work with. Often this involves a face-to-face meeting where you might discuss the project, show some work and let them get to know you.

Meeting a new contact for the first time can be stressful, especially if you really want to win the project. Here are a few things to remember:

- **Be yourself**

Your potential client knows you are a freelancer -- don't try to hide it. You probably shouldn't dress up in flip-flops and shorts, but you probably don't need to dress in a suit either. There is no need to pretend you're a big organization either - no one will be fooled and you'll only feel pressure to maintain the facade.

- **Be prepared**

The best antidote to stress is preparation. Make sure you have everything you wish to show your contact ready at least the day before your presentation. If you're showing something online, take a local backup so you won't be in any danger of losing your connection or showing something with problems. If you want to pitch an idea, make sure you have notes on hand in case nerves get the better of you.

- **Know what you want to say**

Many client meetings, particularly the larger ones, begin with a client asking you to tell them a little about yourself. If you haven't got a rough idea of what to say, this can feel a bit odd. Prepare a few sentences outlining your background, strengths and services.

Before you arrive at the meeting, decide what you want to tell the client and what questions you need to ask. You may wish to make a few notes to ensure you remember everything.

- **Be on time**

Nothing looks less professional than being late. Even if your client is consistently late, you should still be on time. Being punctual says a lot about how you will work on a project.

- **Be prepared to say no**

Not every job is going to be right for you. You may get to the meeting and find the job is too big for one person, it's not the kind of work you feel comfortable doing or perhaps you just get a weird feeling about the client. Whatever the reason, on occasion you will need to turn down a project. If that is the case, you should either tell the client in person or contact them via email after the meeting. If you are uncertain whether you wish to take a project or not, avoid making any promises in the meeting. That way if you choose not to work on the project you don't need to go back on your word and seem untrustworthy.

ROCK* QUOTE

Tailor your pitching style to suit [your client's] needs. Some clients are looking for the 'big picture', others want every detail and still others need to be given space and time to make their decisions.

Jack Knight
Pitching and the Decision-
Making Styles of Clients
FreelanceSwitch.com



- **Don't give a price**

Clients will often ask for a price or a “ball park figure” right then and there. NEVER give them a price on the spot. Unless you have been freelancing longer than your client's had hair, you are going to get the price wrong. Giving a price on the spot comes with a lot of pressure and you won't have time to take everything into account.

Tell the client there are too many factors you need to consider and you'll send them a written quote as soon as you get back to your office.

- **Ask questions**

When a client meets a freelancer, they will expect to answer questions about the project. It is your job to find out what they need and how you can help them. Having a thorough set of questions ready will inspire confidence. Imagine you are going to a doctor: you tell the doctor what your symptoms are and then she starts poking you and asking lots of questions. Only then does she make an assessment. If there were no questions or analysis you would wonder if you had been diagnosed correctly.

Free Pitching

In many industries, particularly design, you may be asked to work on a project for free so the client can see if your work will be right for their project. This is called *free pitching* or *working on spec*. You know the story: great client, big project, and you could really use the cash flow, but they have asked for some ideas and mocks up front ... for free.

It may seem harmless enough, especially if you get the job, but many professionals believe that free pitching effectively undermines an industry. Every time a freelancer free pitches, it will reinforce the impression of some clients that they only need to pay for the work of a qualified professional if they *like* the outcome.

Other service-based industries don't provide samples of their services for free. Have you ever been to a mechanic who said they'd do an oil check for free in the hope that you'd get them to permanently service your car? Or how about a doctor who gave you your first visit to see if the 'relationship gelled'?

The above examples sound ridiculous, but most likely as a freelancer you'll be asked to work on spec more than once. When you're scared you'll lose a project it can be very tempting to work on spec, even if you disagree with doing so in principle. In these cases, remember that a client who insists that you to free pitch will not be the type of client you'll want to work with long term.

Steady Income Sources

Security can be a big issue for freelancers, especially if you're new to the game. There can be the feeling that work might drop off at any time, leaving you high and dry.

There are two things you should do to overcoming this. First, make sure you have a cash reserve to fall back on in lean times. This will give you security as you'll know that a quiet period will mean taking some time off rather than going broke.

Secondly, you should aim to get a few steadier gigs to help stabilize your cash flow. Examples of a steady gig would be a weekly column in a paper for a writer, or a site maintenance gig for a web developer.

Every freelancer should have a few regular jobs that they can depend on. Sometimes these jobs will be lower paying, less glamorous or repetitive, but they remove some of the risk from the freelance lifestyle until you are more established.

Passive Income

An alternative to a steady gig is a source of passive income. Passive income is income generated by an activity in which the you do not

participate. That means that you might create or work on something which then makes you money over time without you having to do anything else. Some examples of passive income include selling illustrations as stock, or providing subscription services to clients such as hosting.

There are many ways to earn passive income and it is worth spending extra time you might have investigating some of them. However you achieve it, having a steady income supply can help remove much of the stress of freelancing. For more advice on passive income, see the *FreelanceSwitch Passive Income Sub-site* – <http://notbythehour.com>

Pacing Yourself

When working for yourself there is a great temptation to take every project that comes your way, even if you're hopelessly busy. Taking lots of projects has benefits: you can quickly build your client network, make more money, and gain a reputation as a 'can do' type of person.

ROCK* QUOTE

Beware the inevitable check delay. Though I'd been doing side work for over 5 years before making the leap, I don't know that I was as prepared as I could have been to deal with check delays. Think about it: You submit an invoice. Your contact submits the invoice for payment. The check is cut. The check is mailed. You deposit the check. Your bank may or may not place a hold. The cash is finally available. Typical, right? Well, it's not so bad when it's side work, but when it's your sole income, you better prepare accordingly. I've had the invoice to cash-in-hand cycle take up to 60 days before, regardless of net 30, late fees, or other terms I've assessed. Have enough cash in the bank to fill in gaps between cycles, or consider alternative payment methods.

Cameron Moll
Full-time freelancing:
10 things learned in 180 days
CameronMoll.com



Unfortunately there are some major drawbacks to taking on more work than you can handle. When a freelancer is seriously overworked they will often miss deadlines, suffer lots of stress, and neglect their clients. In short, too many projects will negate the supposed benefits of taking each one on in the first place.

Having said that, in the early days of your freelance career you should probably push your limits a little. If you consciously make a decision to work very hard for a set period of time you will be able to find out what and where your limits are, build up a big client list and give your cash flow a solid injection of life.

5

Project Scope and Timing

Before you start a project, before you even price the project, you need to scope out what is involved and lay a plan for how long it will take to complete. Taking a brief and then determining the project scope and timing accurately is the most fundamental task in ensuring a project runs smoothly.

Taking a Brief

A job begins when you get your first project brief from the client. Sometimes you have already won the job and sometimes this will take place when the client is still feeling you out as a potential contractor. In the latter case you will have a variety of sales-related motives when meeting the client and these can overshadow the brief itself. It is important you remember, however, that the job has already started and you must maintain focus.

Taking a brief from a client is an important task that takes a little practice. This is because there are as many types of client as there are projects and while some may be excellent at briefing you, others are downright hopeless. It is your job to get the brief out of them in whatever way necessary.

Asking The Right Questions

The best way to ensure you receive a proper brief on the project is to ask questions. This will take the onus off the client and lay it on your shoulders (where it winds up anyway).

With experience you will know off the cuff what questions need to be asked, but to begin with it is best to write them down beforehand. Before you attend a meeting with the client, or before you speak on the phone, think out everything you would possibly need to know to complete the project. If you are really new, it can be helpful to imagine yourself actually doing the project and mentally take all the various steps necessary to complete the job. As you go you will inevitably think of things you need from the client -- write these down.

Take Good Notes

Unless you take good notes, you will inevitably omit parts of the project brief later. At the time everything will seem just fine -- the client will be rattling off about the project and you'll be busy agreeing and telling them it's all not a problem and smiling and hoping to get the job. Fast forward a few days when the time comes to actually do something and you'll be thinking, 'Now what was it he said again?'

Take a pad of paper into the meeting and write furiously. Write down everything the client says. With experience you'll learn what things are more important than others, but to begin with, every bit of information is useful. Besides, it makes the client feel important and gives them the sense they are being listened to.

Documenting a Brief

Once you have completed your meeting or phone call you need to begin documenting it out. Having everything written down ensures clarity and agreement between the client and freelancer.

Write it Back

An extremely good habit to get into is to write out your notes straight after the meeting is complete. Summarize everything that was discussed into an email and send it to the client with a note saying that if you've missed anything that they can let you know.

Writing back the meeting means you will have a copy of the notes in your outbox, that the client knows you've taken the meeting seriously and that everyone is on the same page. And it doesn't need to be only for briefings -- any client meeting benefits from having a written summary agreed upon.

ROCK* QUOTE

When ever there is a break down in communication the project goes south fast. And the common thread to the communication rests with the designer. It is critical as designers that we communicate effectively with our clients. Part of communicating effectively is using the right tools, and documenting the process.

Kevin Airgid
How to Manage the Monster
CreativeBehavior.com



Project Specifications

For smaller projects and for some industries writing back the brief may be all that is required. However, if the project is a software or web project it is a good idea to produce a more detailed specification before proceeding.

Software and web projects are generally very complex and there is a good chance that the client's understanding and developer's understanding of what is to be done are different. A specification makes it clear what you will be doing and what your understanding is. If there are misunderstandings they have a chance to clear it up.

Having a properly specified project ensures that when it comes time to give a quote on how much it will cost to do the project, that you have quoted for all parts of the project.

How you write out your specification or requirements document depends largely on your field; however, project collaboration software such as *Basecamp* - <http://basecamp.com> can be handy for documenting input from both parties in a centralized place. Avoid having the specification laid out only in emails, as they have a tendency of getting lost or muddled, or allowing a client to claim they 'never received *that* email'.

Scope-Creep

Having a specification of the project also helps avoid scope-creep. Scope-creep is where a client gradually adds increments of changes to the project, which by themselves are usually not a big deal, but altogether are a lot of work.

Scope-creep can be avoided if you have a firm specification and you are clear about reminding the client that what they are requesting is not in the specification and that it will add extra costs.

Estimating Timeframes

Once you have understood the brief you will be in a position to estimate how long it will take to complete. As you become more experienced you may be able to give a client a timeframe off the top of your head, but to begin with you should beware of doing this. It is very easy to promise something that you will have a hard time delivering. Instead, it's a good idea to tell the client that you'll give the project more thought and see how it fits with your general project schedule before getting back to them with a timeframe.

How Long Will the Project Take

To estimate how many hours the actual project will take, it is a good idea to break the job down into components. It is much easier to estimate times for small parts of a job than it is to do so for the whole job at once.

Depending on your level of experience you may wish to break the components down to the nth degree so that you are estimating time for very small atomic tasks which are easy to consider. This is useful because inexperience can lead you to miss vital tasks which might blow out your time and budget.

As you get more experienced, these calculations will get easier as you instinctively know how long a certain type of job will take. The other benefit to breaking a job down is that when you prepare your quote or estimate for the client, you can spell it out in an itemized fashion. This is

ROCK* QUOTE

*No matter what you do,
always add a buffer.*

*It doesn't matter if you've
worked with the client
before, know exactly what
the client wants, and have
done the same thing a
thousand times before.
Buffer it.*

Ben Yoskovitz
How-To Price Freelance
Projects Successfully
InstigatorBlog.com



good for educating clients and helping them understand where their money actually goes. Watch out for tasks which are easily missed, like client liaison, dealing with third parties, research and time for thinking.

In the next chapter this time estimation will be used to price the job.

For now you should have a fairly accurate amount of time it will take to physically complete the job.

ROCK* QUOTE

Before you even start on the project, you should work with the client to get a clear picture of the desired outcome of the project. Often, the client doesn't even have a clear picture. But neglecting this step will lead to delays and frustrations down the line. You can communicate through phone, email, or in person, but however you do it, be sure to ask questions to clarify what the client wants, make suggestions, and get a clear picture in your head that shows you how the project will look when it's done. Once you've gone through this process, and have a good idea of the outcome, restate it back to the client to get his or her agreement. Now you have a clear target to shoot at.

Leo Babauta
A Guide to Simple
Project Management
FreelanceSwitch.com



Scheduling

A big trap to fall in is to calculate that a job takes say 40 hours and tell the client it can therefore be done in one week's time. This would be true if you had absolutely nothing else to do, but even if you don't have any other jobs on, you will still have other tasks that you must schedule in such as billing, finding new jobs and other administrative work.

If you want to schedule a job in, ensure you leave enough time for administration, other jobs and rush work that might come in. A rough percentage of time to leave for administration is 30%. This obviously differs for different freelancers, but when you work in emails, billing, quoting, meetings, marketing and all the other non-billable elements of freelancing, keeping 1 in every 3 hours free is a fair estimation.

Additionally you should prioritize how important this job is in relation to other jobs. Naturally some jobs

pay more, are for better clients or need to be completed more urgently. Decide whether this job (or some other job) needs overtime work. If not, decide how long in regular hours you need to get this job and your other jobs done.

Delivering on Timeframes

When a client pays you to do a job, it is your responsibility to do not only a good job, but also to do it on time. In fact the quality of the job and the efficiency with which you do it all are almost equal in the sight of many clients and you will get an extremely high reputation if you always deliver on time. In business most people want something they can rely on, even if it means sacrificing some level of quality. Of course having the highest quality work delivered on time is even better!

The main thing to remember here is that once you promise a certain deadline you have effectively created it for yourself. Delivering on what you promise is a great way to build reputation, whereas missing your own deadlines is a great way to let a client down.

Large Projects

Larger jobs bring some extra complications. We've already discussed how important a detailed specification is for a larger job; in addition to this, a larger job usually requires milestones along the way – often with a payment schedule – and provisions for changing requirements.

Milestones

Setting milestones is the practice of determining multiple points along the way which mark completion of some aspect of a job. So, for example, in a development job you might have a milestone at the end of the project build and another after project testing and bug fixing.

These milestones will usually have deliverables for the client to inspect and act as a waypoint to keep the job in line. If things are going off track the milestone offers an opportunity for both parties to make any adjustments to get the project into shape.

The larger the job, the more milestones you require. Additionally you should set out a payment plan with your client to take payment at the end of each milestone. This is important for a freelancer as waiting months for payment can put a significant strain on your cash flow.

Milestone payments also significantly decrease the risk when dealing with an unknown or overseas client. Since they won't have a finished product yet there is little chance of them defaulting on payment.

Milestones also act as psychological markers for both client and freelancer. Working on a big project can feel never-ending and is bad for morale, whereas working on a set of smaller sub-projects will ensure that both parties see achievements along the way and feel a sense of progress.

Finally, milestones will usually have their own timeframes attached to each. As discussed previously, after committing to a schedule it is absolutely imperative that you stick to it.

Changing Requirements

With certain types of large projects, there is going to be an inevitable changing of requirements along the way. This is particularly true in development jobs where new scenarios and features come up along the way. In these instances it is good to be clear with the client up front that this is likely to happen, then plan around it.

For example, a simple solution is setting milestones and quoting each as a separate job, which can ensure that at the end of each you have an opportunity to re evaluate the requirements for the next phase. In software there are in fact development methodologies such as Agile Development and Extreme Programming that suit freelancer project management and it is worth looking into these.

Whatever you choose to do, plan ahead and avoid committing early on to a fixed price and or fixed timeline for a project whose end may still be unclear.

6

Pricing Yourself

One of the fundamental things you will do as a freelancer is to decide what your services cost. There are many factors to consider and there is no magic formula. Instead you have to use a bit of guesswork, lots of trial and error, and develop your own formula over time.

A Word on Hourly Rates

In this chapter we're going to spend a lot of time discussing the hourly rate that's right for you. Not every freelancer charges by the hour, some do it by the project, by the word, by the day or by using a retainer fee. However an hourly rate provides a base unit of cost measurement to fall back to. Using your hourly rate you can estimate any other type of cost by estimating how long any action will take you to complete.

Your Costs and Your Break-Even Rate

Your first step in calculating your price and hourly rate is to determine the amount you need to charge to pay for all your living and business costs. In other words, how much you need to make each year just to break even.

You can do this by following these steps:

1. Calculate your personal costs

Calculate how much money you need annually to pay for your accommodation, food, living and other personal expenses. Don't forget to add in any debts you are paying off like credit card repayments. Your aim is to come up with an amount of money that you could live on comfortably for a year.

2. Calculate your business costs

Next, calculate how much you need to spend on your freelancing business. If you are just starting out this will involve a lot of guesswork. Try to break it down to all the subcomponents like office supplies, software, travel and so on, then make a stab at each.

3. Calculate your tax, insurance and superannuation

Paying taxes, insurance and retirement savings are realities that you can't escape. Different countries have different rules, so do some research and estimate how much each cost is going to be.

With taxes it usually helps to look at the sum of your personal costs and then see what income tax bracket you are in and go from there. Don't forget that many countries have business taxes that have to be applied to your bills. Business taxes can sometimes be claimed against taxes you have paid on your business costs, so you may have to do some research to figure out how it will impact you.

If you are really unsure of how much tax, insurance and retirement funds will cost then you can try this: add your business and personal costs together and multiply by 40%. This number should be a reasonable estimate of these costs. Later when you understand the issues better you can come back and do this calculation again.

4. Sum it up

Now add the results of the first three steps together. This amount is how much you need to earn each year to survive, to pay all your taxes and costs and to not go into debt.

So for example if your personal costs were \$35,000, your business costs were \$10,000 and your tax, insurance and super were \$13,000 then your total cost is:

$$\$35,000 + \$10,000 + \$13,000 = \$58,000$$

In other words you need to make \$58,000 a year for freelancing to be a viable business.

5. Calculate how many hours you can actually bill in a year

Next you must calculate how many hours you think you can actually bill out to clients. Whatever you do, DON'T assume you can bill every hour of the day.

It is tempting to think of it like this:

$$\$40 \text{ per hour} \times 40 \text{ hours a week} = \$1600 \text{ a week.}$$

In reality, every hour you work will accompany an hour of non-billable work such as accounting, client liaison, searching for work, marketing yourself and other duties. Plus you also need to consider time you are sick, time you have taken for holidays and time when work is quiet.

When making these calculations, assume you will bill less than you would hope.

6. Divide costs by hours

Finally divide your costs by your hours.

So for example if you worked out that you could bill:

(52 weeks – 4 weeks holiday – 1 week sick time) x 5.5 days a week x 4 billable hours a day = 47 x 5.5 x 4 = 1034 billable hours

and you had \$58,000 worth of costs. Then your break-even hourly rate is:

\$58,000 / 1034 hours = \$56 per hour

Remember this value is just the START of your calculations to work out your hourly rate. In the next section we will look at other factors that should affect your decision.

FreelanceSwitch has a freely available rates calculator you can use on to help you along with this process. You can find it at <http://freelanceswitch.com/rates>

Calculating Your Hourly Rate

Knowing your break-even hourly rate is the first step towards deciding your final rate. From here you need to think about a range of other factors. While the first is a purely numerical calculation again, the rest are based on intuition, knowledge of your industry and guesswork.

1. Your profit

In the last section we found an hourly rate that would allow you to just break even; however, you should be aiming to make a profit above this. Your profit is, if you like, your savings, as well as the money you might use to go on a holiday, or buy a new car.

So for example if you decide that you would like to save \$20,000 each year and everything else is as in previous examples, then you would need to charge:

$$\$58,000 + \$20,000 / 1034 \text{ hours} = \$75 \text{ per hour}$$

So if you charged \$75 an hour and you really did bill out 1034 hours at that rate, then you would achieve all your costs and necessities AND still have \$20,000 left over. Note that in this calculation we've left out taxes, but you might have to earn more than \$20,000 extra in order to still have \$20,000 after you paid your taxes. Consult your local tax information or accountant to make this extra calculation.

2. Market demand

If your service is in high demand, then you should consider making your services more expensive. Conversely if there's hardly any work available, you'll need to charge less if you hope to compete.

Signs that demand is high include too much work coming in, other freelancers being overloaded and people telling you they've been struggling to find someone to do the job. Signs that demand is low include finding yourself competing to win jobs, a shortage of work and fellow freelancers re-entering the regular work force.

3. Industry standards

It's hard to find out what others are charging, as people are naturally private about this information. Try asking anyone you know who has dealt in your industry before, or ask on online forums which offer some degree of anonymity. Your local industry association also might also be able to help. Find out what larger businesses charge as well as other freelancers. The more you know about what others are charging and what services they provide for the money, the better you'll know how you fit in to the market.

Naturally, finding the industry norms is probably the most important factor, especially when you first start out. If everybody else is charging \$50 per hour and you are \$200 per hour, you may find work hard to come by.

Make sure you find out costs in your own local market or the market where your services are competing. If you are working out of Alabama, for example, you shouldn't be trying to compete with London rates for your profession unless that's where your clients and competitors are located. Of course, if you're competing in a global marketplace, you shouldn't only look at your local rates, but the rates of your competitors in the overall marketplace.

4. Skill level

Not every freelancer delivers the same goods and one would expect to pay accordingly. When we were starting out as freelancers we charged a rate of \$25 an hour, when we stopped freelancing recently our rate was \$125 an hour. Same

people, but at different times we had a different skill level and hence were producing a different result.

Whatever your rate, expect it to be commensurate with your skill. This also goes back to how long you take to complete a project and what kind of value you produce. When we were working cheaply we took longer and produced, shall we say, less pleasing designs, so it made sense that we would be cheaper.

5. Experience

Although often bundled with skill, experience is a different factor altogether. You may have two very talented photographers, but one with more experience might have better client skills, be able to foresee problems (and thus save the client time and money), intuitively know what's going to work for a certain audience and so on. Experience should thus affect how much you charge.

Additionally being cheap or expensive will help with the flow of clients. When you are starting out you need to get clients from wherever you can, so it helps to be competitively priced. When you are experienced, you are more likely to want to shorten your client list than expand it, so having a high price will help cull those clients who can't make the grade.

6. Your business strategy

Your strategy or your angle will make a huge difference to how you price yourself. Think about the difference between *Revlon* and *Chanel*: the two could make the same perfume but you would never expect to pay the same for both. Figure out how you are pitching yourself and use that to help determine if your prices are cheap and cheerful, high-end or somewhere in-between.

One pricing strategy is to take whatever you feel you should charge and simply increase it twofold. Pricing high will stop clients from wondering if there is something wrong with your service. In some instances people simply assume that a high price means you are the best service to go with.

Another strategy that you might pursue is to undercharge early on to get jobs. A low rate gets you projects, repeat work and most importantly referral work. Clients will inevitably tell their friends about this excellent service they got really cheaply. Since projects are the lifeblood of your freelancing business, this value cannot be underestimated. If you are doing good work at a low cost, word will get around. Of course the flip side to this strategy is that you will have to work very hard to make ends meet, but that will be temporary. You should raise your prices just a little with each successive wave of clients until you reach a rate you're happy with. Eventually you should find yourself in a position with lots of work and a reasonable rate.

7. Your service

The service you provide for your clients will also make a big difference to your price tag. For example you might be a freelancer who will do whatever it takes to get a job just right, or perhaps you are on call 24/7, or perhaps you provide the minimum amount of communication to cut costs. In these situations you might adjust your price to reflect that level of service.

8. Your maximum

Sometimes as a freelancer you can be unaware of your own value, and even after considering things like skill, experience and service levels you may still be selling yourself short.

In a capitalist economy you should be charging whatever the market can bear. To use perfume as an example again, a company like *Chanel* will price their perfumes as high as they

possibly can while retaining customers willing to pay for them. If *Chanel* were to discover that customers were quite happy to pay 10% more for their perfumes, they would naturally charge 10% more.

To some degree you should charge whatever you can manage without turning your customers away. If clients are quite happy to pay triple your break even rate, then you would be foolish not to charge it. This is not being greedy, rather a higher rate will allow you to offer a premium service to clients that will appreciate your work.

Finding out the maximum you can charge, however, tends to be a matter of trial and error and overestimating can often lose you potential jobs. Increase your rates over time and in small increments.

Changing Your Price Over Time

Over time you will need to change your pricing. This might happen because your position, skill, experience or service has changed or perhaps it's part of a business strategy you've employed. Whatever the reason is, remember to approach price changes with care.

Since a price change usually means raising your rates, there is a good chance you are going to lose clients doing so. The best way to do this then is to provide ample notice. When you decide to change your rates, let your current clients know 3 months in advance. This will let them prepare for it if they need to, find someone else if they are unhappy and adjust to the idea.

Naturally with new clients you can provide your new higher rates immediately. This might mean that you are effectively juggling two or three hourly rates for old, current and new clients.

The best way to raise your rates is in increments. For example if you suddenly decided that your previous rate of \$50 per hour was really not appropriate and that you'd prefer to charge \$150 per hour then you'd have two choices:

- Jump suddenly from \$50 to \$150 and find a brand new set of clients who don't mind paying the new rate. This would effectively mean finding a whole new client base, which would probably be challenging, or
- Raise your rates in increments over a period of a year or so, going from \$50 to \$75 to \$100 to \$125 and eventually to \$150. Although you might lose old clients at each rate change you should – presuming you really are worth your new rates – be able to acquire new clients who might put up with a rate one or two increments higher than when they started. In this way you will arrive at \$150 much later, but will do so while retaining a client list.

Charging for a Job, not by the Hour

So far we've discussed finding an hourly rate. In practice most often you will be charging for a job. Given your hourly rate how do you go about deciding what to charge for a project?

1. Calculating the time involved

The first thing you need to do is calculate how long it will take you to actually complete the job. When you have this estimate you can then multiply the number of hours it will take by your hourly rate to get a basic cost for the job.

As discussed in *Chapter 5 – Project Scope and Timing*, it's a good idea to break the job down into components and then estimate the time it will take to complete each one. This helps ensure you aren't being overly optimistic about how long something might take.

Use your briefing notes or a project specification document to itemize out what is involved. Keep your notes as you will use them when writing out your quote.

2. Calculate costs for rebilling

In many industries you will need to pay for costs on behalf of your client. These might include printing, hosting, stock, couriers and outsourcing to other freelancers for specialist work.

There are a few issues here that are vital to consider:

- **Never swallow the cost unless it is very small**

Getting a client used to having things for free is a bad idea as one small item can soon become a string of items which will leave you with a bad feeling and no profit. Make sure every single expense is noted down and paid for. If you think there might be some expenses that will come up but aren't sure what they are then include *possible miscellaneous expenses* in your costing. It's better to have charged for something and not need to spend the money than the other way around, and you can always give your client a discount if expense are less than you thought.

- **Add a percentage on top of the cost**

Adding about 25% on to the cost when you rebill is standard practice for many freelancers. This covers the cost to you of hampering your cash flow and organizing the item (e.g. calling the courier, locating a web host, or liaising with a subcontractor).

For some types of costs this percentage should be higher. For example if you are rebilling for a very small print cost, the time you need to liaise with the printer might not be covered by 25% of such a small amount.

In other cases you might decide that the risk involved in paying for a large fee on behalf of your client is not worth taking unless you are compensated well.

- **If the cost is high, seriously consider asking the supplier to bill the client directly**

As tempting as it is to think you are making an easy 25% commission on a large cost such as a big print run, you are in fact taking a huge risk.

Swallowing a large supply cost that has gone wrong can break a freelance business very quickly. The best example of this is in the printing industry. Print jobs easily run into the thousands, and if the job goes badly for whatever reason and you have a client who is unhappy with the end result, you will find yourself stuck between a rock and a hard place trying to figure out how you can possibly pay for a reprint out of your own pocket. Rebilling this sort of large supply cost can be lucrative, but carries a great deal of risk.

Unless you're very experienced or have a lot of cash in case things go wrong, don't bother taking such risks. Instead simply tell your client that you are too small to handle such a large cost and that you will deal with the supplier but they will bill them directly.

3. Taking the client into consideration

Now you must decide if your base cost is appropriate for the client. Some clients have special needs, are a little risky, pay very slowly, require a lot of administrative work or just like to have lots of meetings and phone conversations. For these clients you should pad the costing out to compensate.

Another issue to consider is how much you want to work on the project. If you have plenty of work and this project doesn't much interest you, then you would raise your price.

Conversely if the client is easy to work with, provides a lot of repeat work, is often happy to take advice, perhaps can't afford as much, is a non-profit or has a job that you would love to be a part of, then you may choose to reduce the cost. If the project is high-profile and will get you some good exposure, it's not a bad idea to lower the cost, as it will likely result in increased business over the long run.

Of course you don't always know whether these factors apply, particularly for a new client, so there is a certain amount of guesswork needed and occasionally you'll get it wrong. When in doubt, theoretically you should err to the side of caution so that you don't regret giving a cheap price; however, often in practice the lure of winning the job will make you err the other way.

Delivering Your Price

Once you have a price, you need to deliver it to your client. This is generally done in one of two ways: either by giving an *estimate* or a *fixed quote*.

Estimates vs. Quotes

Estimates differ from quotes in that you are effectively giving the client an idea of how much a project will cost them to complete. Estimates are not guarantees of the final price and in essence declare that the final cost of the work will be within a certain range of that price if nothing changes. To quote is to give a firm price that is agreed upon for the amount of work specified.

Most clients prefer quotes, as estimates have a tendency of becoming more expensive by the end and hardly ever the other way around. Estimates are better for a freelancer, but a freelancer can usually only provide an estimate for a premium service, open-ended project, or if they have a very good reputation. To introduce clients to estimates, you might guarantee that the price variation will be within a certain margin (say 10% or 20%).

What does a Quote/Estimate Look Like?

A quote or estimate is a document that lists your business details, the project details and the cost. It may also include other details such as terms and conditions or payment methods.

Generally you will also apply a numbering system to your quotes and estimates to keep track of them.

If you are unsure of how to prepare a quote in your industry it is an excellent idea to ask someone you know working in the same field if you can see what theirs looks like. If that is not possible, ask for a small project quote from an agency and use what they provide you with a guide.

Quotes and estimates are often delivered electronically by sending a document, PDF or excel file by email, however you may alternatively wish to print out and mail or hand-deliver your quotes/estimates.


Itemizing

Itemizing your quotes and estimates means outlining each part of the project within the document. When determining the price of a project you should have split it into smaller components, so itemizing your quote involves laying these out for the client to see and understand.

From time to time a project will blow out its schedule. Sometimes this is due to you underestimating the work, however sometimes it is due to miscommunication about what the project entails. It is here that an itemized quote will help you. You can point to exactly what work was quoted for. If there is something you are doing which is not in there, it is your right to ask to charge for that additional service.

Quote

Reference Number QUO_XXX



| <p>Attention: (Client name) (Company Name)</p> <p>Project: (Project name/description)</p> <p>Consultant: (My name) (My email) (My mobile/cell number)</p> <p>Good Creative: (My office number)</p> <p>Our address</p> <p>Our website address</p> <p>Our ABN (business number)</p> | <table style="width: 100%; border-collapse: collapse;"> <thead> <tr style="border-bottom: 1px solid black;"> <th style="text-align: left; padding: 5px;">Item</th> <th style="text-align: center; padding: 5px;">Hours</th> <th style="text-align: right; padding: 5px;">Cost</th> </tr> </thead> <tbody> <tr style="border-bottom: 1px solid black;"> <td style="padding: 5px;"> First project element <small>The steps we'll take The steps we'll take The steps we'll take</small> </td> <td style="text-align: center; padding: 5px;">x</td> <td style="text-align: right; padding: 5px;">\$</td> </tr> <tr style="border-bottom: 1px solid black;"> <td style="padding: 5px;"> Second project element <small>The steps we'll take The steps we'll take The steps we'll take</small> </td> <td style="text-align: center; padding: 5px;">x</td> <td style="text-align: right; padding: 5px;">\$</td> </tr> <tr style="border-bottom: 1px solid black;"> <td style="padding: 5px;"> Third project element <small>The steps we'll take The steps we'll take The steps we'll take</small> </td> <td style="text-align: center; padding: 5px;">x</td> <td style="text-align: right; padding: 5px;">\$</td> </tr> <tr style="border-bottom: 1px solid black;"> <td style="padding: 5px;">SubTotal</td> <td style="text-align: center; padding: 5px;">x</td> <td style="text-align: right; padding: 5px;">\$</td> </tr> <tr style="border-bottom: 1px solid black;"> <td style="padding: 5px;">GST</td> <td></td> <td style="text-align: right; padding: 5px;">\$</td> </tr> <tr style="border-bottom: 1px solid black;"> <td style="padding: 5px;">Total</td> <td></td> <td style="text-align: right; padding: 5px;">\$</td> </tr> </tbody> </table> | Item | Hours | Cost | First project element <small>The steps we'll take The steps we'll take The steps we'll take</small> | x | \$ | Second project element <small>The steps we'll take The steps we'll take The steps we'll take</small> | x | \$ | Third project element <small>The steps we'll take The steps we'll take The steps we'll take</small> | x | \$ | SubTotal | x | \$ | GST | | \$ | Total | | \$ |
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| Second project element <small>The steps we'll take The steps we'll take The steps we'll take</small> | x | \$ | | | | | | | | | | | | | | | | | | | | |
| Third project element <small>The steps we'll take The steps we'll take The steps we'll take</small> | x | \$ | | | | | | | | | | | | | | | | | | | | |
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| GST | | \$ | | | | | | | | | | | | | | | | | | | | |
| Total | | \$ | | | | | | | | | | | | | | | | | | | | |

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Sample quote

NB. This quote was used in Australia and should be altered to suit your business. This model should be used as a rough guide only.

Contracts and Terms & Conditions

When beginning new projects you must take care to protect yourself. There are a few ways you can do this. You should consult a lawyer to determine what your specific situation requires. Here are some general remarks.

Terms & Conditions

When sending your initial quote it can be a good idea to send your terms of service along with it. “*Terms of service*” or “*Terms and Conditions*” are a set of terms that you set for the agreement. They work to protect you and your client from transactions that go wrong and outline the rules of the working relationship. They might include things like:

- How long the client has to pay an invoice from the issue date. This might be ‘*cash on delivery*’ or a set time limit -- for example 15 days. This is sometimes called your ‘*payment terms*’.
- How you deal with rebilling extra costs that may arise during the project; for example if you add a percentage fee to any third party costs, you will most likely need to disclose this information to your client.
- What, if any, deposit you take before commencing the project and whether it is refundable.
- Who owns the copyright for work you provide at the end of the project. Do you own the copyright? Are you simply selling a license to use the work? Or is the client buying full rights on everything you produce? What about work that is not used in the final product? What about work you commission on behalf of your client?

- Ownership before and after payment. Does the client own the right to use your work before they have paid the bill?
- Your rights and responsibilities and their rights and responsibilities.

You should ask a lawyer to write your terms of service. If you really can't afford to see a lawyer yet, then at least write up in plain, clear and grammatically correct English. It won't afford the same level of protection, but at least you help the client understand what conditions you will agree to work under.

In some countries, a client accepting a quote and asking for commencement of a project is taken to form a legally binding agreement on the terms of service. In other countries, you need a signature.

Taking the time to make sure you have a set of terms that protect you and your client is important. When both you and your client have agreed on them you have a firm footing to work from.

Contracts

A firmer agreement can be made with a contract. Contracts should always be written by a lawyer and signed by both parties before commencement of work. As a freelancer you will sometimes be asked to sign a contract or terms from your client as well. Make sure you read them carefully as they often will have clauses to specify that they supersede your own terms of work.

Protecting Yourself and Your Client

You should investigate any legal issues in relation to your work. This is particularly true for larger projects with more at stake. While even a small job should be done properly, sometimes the cost of legal work can outweigh the cost of the job.

This is why it is a good idea to see a lawyer once early on and develop a standard contract or terms of service to work with for all but the most complicated or involved projects.

Retainers and Regular Gigs

Not every job is a one-off and you may be asked to charge a retainer fee for a regular type of work. This might be, for example, maintenance work on a website, regular writing or some other type of regular work.

These sort of jobs are excellent to have as they provide a level of security for your freelancing business. In these situations you may charge less than your usual rate to account for the fact that the work is consistent and doesn't involve many of the ins and outs of a regular job.

Too Cheap, Too Expensive

Unfortunately the price you give a client isn't always the ideal price. Sometimes you come in too cheaply and unwittingly miss out on what you deserve. Other times you'll be too expensive either for this particular client or for the market at large. Let's look at both cases.

Too Cheap

Being too cheap isn't a big problem so long as you are covering your costs and making a little profit. If this is happening then you are simply missing out on the extra money you could be getting. The biggest sign that you are too cheap will be that some clients will tell you. They may do so jokingly or they may do it some time after they have finished working with you, but it is not uncommon for a client to inform you that your rates are low.

Another reason you may price yourself too cheaply is because you underestimate how much work a project will involve. If you find yourself repeatedly doing this, try to factor that into your next quote. It can be hard to give an 'expensive' price for a job when you really want it, but if you know from past experience that you consistently

underquote, then you should consider always charging a set percentage higher than you think the project should cost.

Too Expensive

Being too expensive is a potentially worse problem as it means you will start losing jobs and referrals. If you find you no longer get referrals or you aren't winning enough projects, you may be either too expensive or not good enough at your work (which in turn means you're too expensive).

You can try pitching for more projects by marketing yourself through other means than you currently are -- advertising, *Yellow Pages* listings, or getting your website found -- but if you have trouble retaining your clients or having them refer you on, then these are cosmetic fixes and you should be looking at addressing the main problem -- your price.

If you can't reduce your price without affecting your viability, look for ways to cut costs or work longer hours so that you can offer cheaper rates without going bankrupt until your skill level improves and you can raise your prices.

On occasion, how expensive you are will relate to the wider economy. If your industry is experiencing a downturn or there is a flood of people with your skill set, you may find that it is not viable to remain in that location or industry type.

ROCK* QUOTE

Clients provide a useful barometer for the reasonableness of your rate scale. If you're having trouble getting anyone to call you back after you quote them a price, even though they were very interested in your professional qualifications up to that point, it's quite possible that you're setting your rates too high. On the other hand, if you have more work lined up than you can possibly fit into a sane work week, it's probably time to raise your rates.

Mike Gunderloy

Finding that Sweet Spot When
You're Setting Your Hourly Rate
WebWorkerDaily.com



Unfortunately, the main solution to being too expensive is really to reduce your price so that you start winning projects. It is a fine balance to find, but an essential one for any freelancer.

One alternative solution might be to try negotiating with clients. If you deliver a price which gets turned down, you can try offering a slightly lower price and see how that fares. Negotiation works better in certain countries and with certain clients, and carries the risk that clients may try to barter you down to the lowest price possible.

Underquoting and Overquoting

If you are unsure of whether you are too cheap or too expensive, you can try alternating between underquoting and overquoting each job that comes in. Choose a margin by which to do this -- say for example 20% -- and then simply calculate your fee as usual and either reduce it by 20% or increase it by 20%.

If you do this for a few projects in a row you will start to get an idea of where your price lies in relation to what people are willing to pay. Measure your hit rate at both the expensive and cheaper rates. If, for instance you are winning 10% of your expensive projects and 60% of the cheaper jobs, then you might decide that the cheaper rate is more appropriate, or that you'll try a price point in between. If, on the other hand, you are winning 50% of the expensive projects and 100% of the cheaper ones, then your current rate (neither more expensive nor cheaper) is probably the correct one.

Generally speaking you should NOT be winning every project you pitch for. If you do it is usually a sign that you are too cheap. Similarly you should be winning at least a third of all jobs you pitch for, otherwise you are probably too expensive. Of course these are not hard and fast rules and bear this in mind when making a decision about your pricing.

Where Did The Time Go?

An excellent practice to get into early is tracking your time. You can find many easy to use time-tracking applications available online that will help you do this.

By timing and reviewing past projects you will be able to ascertain how well you have been quoting and estimating projects. You may find that there are areas you consistently under- or over-quote and can adjust accordingly for future jobs.

It is a good idea to keep track of not just hours spent on client projects but all hours you spend working. This will help you determine how many hours you can actually bill out for in a typical week – which in turn helps with determining your hourly rate.

Unsurprisingly the key is to be consistent and account for every hour. Many applications will let you start and stop a timer so that you can see to the minute how long you spend on tasks.

7

Doing the Project

After you have delivered your price to the client and they have signed off on it, you now need to actually do the job. For most freelancers, this is the part of freelancing that they know the best -- it's the part they trained to do.

In this chapter we'll cover some of the aspects of managing a job, such as handling client expectations, tracking hours, communication and deadlines.

Setting Expectations

Early on in the project you need to set the expectations for your client and for yourself. Setting expectations ensures that everyone involved is on the same page and disagreements and disappointments are minimized. There are two aspects to this: first you must set expectations about the project itself, and then about how you are going to work together.

Expectations about the Project

Before you commence the project, you need to be sure that both you and the client agree about what you are going to be producing. Make sure you have every characteristic of the project spelt and you both share approximately the same vision of what goals you are working towards before you start work.

So, for example, if you walk away from a meeting about to design a website and in your mind it's going to be a super-sleek and bare-HTML site and in the client's mind they are imagining a highly animated Flash site, you are heading for trouble!

This sort of communication often happens in the briefing and requirements gathering that we discussed in *Chapter 5 – Project Scope and Timing*, but it can be useful to discuss it a little further after you have actually landed the project. Prior to having confirmation that the job is yours, it can be difficult to be fully in the project mindset, so if you've missed any details in the excitement of pitching, now is the time to make sure you get them right. Put together a question sheet of anything that might not have been discussed and pick up the phone.

Expectations About How You Work Together

Just as importantly, you will need to set the expectations about what is going to happen during the project. This includes a number of things:

1. What feedback and participation will the client have in the process?

There are as many feedback styles as there are clients, and no matter what you tell them up front some clients will do what they *feel* like doing. Nonetheless it can set a good tone if you clearly indicate to your client at what stages that they will need to be involved.

Most clients know to give feedback immediately after deliverables, but you do get clients from time to time who think that your work will be easier if they sit next to you during the process. Explain early on that this isn't what's going to happen to prevent any misunderstandings.

Another important aspect of client feedback is the amount of revision and changes they can request. We'll discuss this further later on in this chapter, but for the moment suffice to say that you should set an expectation on how many revisions are allowed before incurring extra costs.

2. What is required of the client?

In many projects the client's role does not end at the briefing stage. Often you will require them to provide assets for the project such as copy, a logo, or photographs, or to provide liaison for things like setting up a location for a photo shoot, or setting up meetings with other stake holders.

Spell out exactly what they need to provide and wrangle timeframes out of them. If they are unclear about when you will receive what you need, make sure they realise this will have consequences for your own delivery timetable. If you aren't clear, you risk your client handing you assets the day before a deadline and still expecting that deadline to be met.

3. What deliverables will the client be receiving?

You should also be specifying what exactly the client will receive during the project. Make sure they understand exactly what they are buying and in what formats it will be arriving.

4. What timeframes are going to be involved?

Your client needs to know when things are going to happen. Unless the project is particularly simple, don't just give them a final deadline. Rather, you should be mapping out a few stages to the project including when each one will be completed and what is required from them to complete it.

Giving your client timeframes is essential for keeping them out of your hair. If you don't, you'll continually receive emails and phone calls asking for status updates. With a set of timeframes, milestones and deliverables, the client will (hopefully) leave you be until a milestone arrives and you produce the appropriate deliverable.

Setting all these expectations can be done in a short meeting or over the phone and then confirmed in writing. Once completed this will make for a much smoother project. Some clients may have understood what was going to happen even without your explanations, but you'll find others have a completely different view of how the project was going to proceed. For these others, setting expectations will avert an at best rocky project, and at worst disastrous one.

Tracking Your Hours

It is vital, particularly in your first two years of freelancing that you track your hours. Timing everything you do in a work day will allow you to:

- **Review projects**
Once a project is complete you should review all aspects and how long each one took. You will often be surprised at how much longer some things take and how little time others take. Reviewing jobs will lead you to more accurate quoting.
- **Bill accurately in estimates**
If you have used an estimate rather than a fixed quote, then tracking your hours is what allows you to give a final cost. You will need to give your client an outline of the time you spent on each deliverable, and corresponding dates and details always help credibility.
- **Account for changes**
If the brief changes or there are unexpected extras, then having a storehouse of timing data will allow you to easily point out the exact time and cost of the changes.
- **Understand where your day goes**
There is nothing more frustrating than getting to the end of a work day and feeling like you haven't achieved what you set out to do and you aren't too sure what happened. Tracking your hours for both projects and general in-between work, will give you an accurate picture of what tasks are taking up your day and what measures you can take to streamline your work. Understanding where your day goes is vital to become more productive and efficient.

Like so many things, tracking your hours is a habit. The more you do it, the more routine it becomes. So it's important to start building the habit immediately.

In order to follow your hours, you will need an appropriate tool. Fortunately time-tracking tools abound, and many are free. A few choices you have include:

1. Paper and pen

It may sound a little behind the times, but simply using a paper timesheet to record your hours can work well. Depending on how messy your desk is, it can mean having something at hand all the time without having to shuffle through programs and toolbars.

If you are going to go down this route, use your favourite document program to draw out a grid of boxes and lines and print out a few copies to write on. Alternatively you can find some good templates on the web to print out.

A couple of tips for paper and pen time tracking: Don't wait to the end of the day to fill in what happened (or worse the next day), and make sure you have a single place to store all your used time sheets *in order*.

2. Stand-alone software

If using a piece of paper is a bit low-fi for you, there are plenty of web applications available that will meet your needs. They generally come in two shapes, either you enter in your hours as you would with a piece of paper, or you start a timer as you work on each project.

Most software will provide various reporting tools and many are freely available. To find some good tools visit <http://del.icio.us> and search for "*Time Tracking*" to find a wealth of them.

3. Integrated software

Although time tracking tools are generally stand-alone applications, you can also find time tracking that is integrated as part of either a project management application - the most well known example of this is *37Signals' Basecamp* - <http://37signals.com>, or as part of an invoicing application such as *Freshbooks* - <http://freshbooks.com>.

If you are already using or planning on using one of these products, then using the integrated time tracking facilities might work well.

Communication

Unless the project you've been commissioned for is particularly small or straight forward, you will need to be in communication with your client throughout the project.

Communication as Service

Some of the reasons you will be communicating with your client include:

- Planning the project,
- Providing updates on the project,
- Discussing their feedback, and
- Presenting the deliverables.

Communicating regularly plays a major role in providing your client with good service. As a client, there is not much worse than feeling like you have no idea or handle on how and where the project is going. So when a freelancer gives consistent updates, takes feedback, makes the client a part of the planning process and delivers on time, they walk away feeling well served, and hopefully ready to recommend.

You, of course, do not need to call your client every single day; however, find a timeframe that suits the project you are doing and the frequency with which work is getting done. In our experience, a weekly update is a good minimum for most projects. Explain how often you will be providing updates when you are setting the project expectations with the client early on. Then follow through and meet those expectations.

Keeping Records

You have a variety of tools at your disposal to stay in touch with your clients such as meetings, phone calls, emails and project management software. It is vital that you keep records of important points raised in discussions.

1. Write up meetings and phone calls

Just as we discussed in *Chapter 5 – Documenting a Brief*, it is a good idea to write up the minutes from a meeting and important points from a phone call. Email your client the write up of anything important that was discussed, so that you both have a record and you can confirm there were no misunderstandings.

2. Store emails safely

There is nothing like rifling through hundreds of emails to try to find details of something your client wrote or you wrote to your client. Having a good organization policy for your email is a must. Our recommendation is to set up a folder for every client, inside of which is one for each project and inside of which is one marked important where you move any vital emails. If you are writing something that you need to store, CC yourself so that a copy returns and you can file it away for reference.

3. If it's appropriate, use a project management application

Although traditionally project management applications were bulky tools for larger teams, there are now applications like *37Signals' Basecamp* - <http://basecampHQ.com> and

ActiveCollab - <http://activecollab.com> available that are appropriate for a freelancer. Such software will provide a centralised place to store messages between the client and yourself, milestones, to-do lists, time tracking and even files. The great thing is that everything is in one easy place should you need to reference it.

The hard part of using such an application is getting the client to make use of it. You should educate them early on, then consistently use it, and if they stray send them a gentle reminder that their communication should all be channelled through the software.

ROCK* QUOTE

It will pay dividends to do as much homework about the client's objectives, their target market and their business model. Then you can deliver the right solutions, framed in the right language that will really resonate with them. It also means of course, that the solution you put together is the best it can be, which will pay for itself when happy customers recommend you to their friends and associates.

Paul Boag
How To Think
Like A Client
ThinkVitamin.com



Revisions

Unless you are extremely lucky, or extremely talented, your client will want to make changes to the work that you are producing. Client revisions are sometimes unfortunate and other times actually produce a better result. Regardless of the outcome, it is essential to plan ahead for revisions.

Planning for revisions means allowing for them in your budget and your timeframes. The tricky party is guessing how many revisions there will be. Some clients will be satisfied with a few changes to the outcome, while others will nit pick until you are tearing your hair out.

The best thing to do is to have a revision policy where you state up front both in your quote or estimate and when you are discussing client and project expectations, how much budget you have allocated for revision work.

While you can try to state a number of revisions, this tends to be a bit meaningless as a revision could be as small as text change or as big as a project redo. Instead you should:

- State how many hours you've allocated in the budget for revision work.
- When revisions are asked for, clarify approximately how long they will take so the client is aware what it is actually costing.
- When you get close to the end of your revision budget, let the client know that revisions are going to incur extra fees from that point on.

It is important to be firm but flexible. While you don't want to be a freelancer who won't change a thing without billing extra, you also don't want to have your project drag on for weeks while your client clears their mind of every possibility.

Handling Budget and Timeline Blowouts

From time to time a project will blow out its budget. This happens for one of two reasons:

1. **Your fault** - *you underestimated how much work was involved, did the wrong things, didn't follow the brief or made some other mistake*

Unfortunately, no-one said freelancing was easy, and 9 times out of 10 you just have to swallow and bear the cost for your mistake. If you have made it clear to your client for one reason

or another at the beginning that you are unsure, then they may accept to pay further fees, but if you aren't competent enough yet to price your services, you are the one who deserves to carry the cost.

2. **Client's fault** - *the client miscommunicated what the project entailed, didn't deliver what was required, or requested too many revisions.*

Clients cause problems for many reasons and in many ways -- they might not understand what's involved, might not know what you need to know, might be too busy or might just have gotten overexcited and started adding to the job midway.

Whatever the reason, it is your responsibility to resolve the issue before things get out of hand. This is when you need that requirements document or itemized quote so that you can point to what was quoted for, how many revisions you budgeted for and exactly how much time they are paying for. If your client is asking for things not budgeted for, you should ask for appropriate compensation.

As you get more experienced you will learn to see danger signs in a project before they happen and warn the client. Early on, however, you may find yourself bearing the brunt of some of the client's mistakes. Try to be firm with them, but remember part of the responsibility – even for client actions – rests with you as the experienced professional.

Timeline Blowouts

Not delivering on schedule is a lot harder to apportion blame for. Generally, unless the client has held things up and you have warned them that they are causing a delay, you will wear the blame for a timeline blowout. Most often there won't be any financial cost to delivering late, there are other costs:

- The client will be less satisfied,
- They will drag on and you don't get paid for a long time, and
- It is unpleasant and stressful for you and the client.

The best cure for timeline blowouts is prevention. This happens in two forms: first, when setting timeframes and expectations, be generous with yourself and make sure you have more than enough time to get everything done. This is particularly important if you are by nature optimistic about how long things will take you.

Second, when anything comes up that might delay the project – whether it is the client dragging their feet on something or your own mismanagement of the project – warn the client as soon as possible so they can take any actions needed on their end.

Learn From Your Mistakes

Finally, make sure to learn from your mistakes. It is inevitable that some of your projects will wind up late and some will go over budget. This is a fact of freelancing life and you should come to terms with it. When it happens, know that it is a cost of doing business and try to pinpoint what went wrong so that you aren't doomed to repeating the same mistakes over and over again.

Over-delivering

Over-delivering on a project is to go that extra mile for a client without reflecting the extra work in your fees. It might be an extra feature in a software job, an extra application of their graphic identity, or some written copy they needed but didn't ask for. It is work that, when delivered, makes the client feel they are being taken care of and that you have their best interests at heart.

Notice that we say 'occasionally'. If you consistently deliver more than you stated, your client will simply get used to things being this way and it won't be over-delivering any more. Additionally, make sure

(subtly) that your client realizes you have done this, or else you lose some of the benefit -- though you still get the knowledge of a job well done.

Saving the Day

In freelancing, you will often get the chance to save the day for your client and it is a good idea to take advantage of these opportunities when they come up. It occurs so often for a freelancer that just as you have deadlines for your client, they will frequently have their own deadline or obligation. So when your client comes to you with an emergency deadline that no-one else can handle, it looks great if you can produce results at that critical moment. We found saving the day once for a client usually resulted in loyalty and referrals in the future.

But a warning as well: saving the day over and over again sometimes results in the client assuming you can always pull out all the stops when they ask you to. So use your powers sparingly. The point is to have the client appreciate your efforts, not take them for granted.

8

Clients

Without clients there would be no freelancing. So it goes almost without saying that knowing how to handle a client is going to be one of the most important skills to develop when working for yourself. In this chapter we'll look at a range of client issues from educating them to disagreeing with them, picking the good ones, giving good service and much more.

Leads and Clients

Before you land a job your prospective client is often referred to as a lead. At any one time you should ideally have multiple clients and a couple of leads. Having only one or two clients or no new leads is almost always a bad idea. Not having diversity puts your business at risk. What happens if one of your clients decides to take their business elsewhere? Or what if the job simply finishes and the work dries up?

There is no formula to discover how many clients or leads you should have at any one time to keep your business running smoothly. Too little work can leave you vulnerable to the whims of a particular client. Too much work can be overwhelming and cause you a great deal of stress. You will discover the right balance for you through trial and error. In our experience most freelancers tend to one extreme or the other. Either they become very comfortable with what work they have currently and don't spend time finding new work and leads, or on the other end of the spectrum, they take on every project they can find and become overworked and overburdened.

It is important to continually look for work and source new leads, no matter how busy you might be at that moment. Even if you don't need more work, keeping your finger on the pulse of the job market will help you gauge how your industry is developing and will expose you to any exceptional opportunities. There should never be a time for a freelancer when they aren't thinking of the next move in their business.

When looking for new clients you should remember that not every client will be suitable for your business. You should approach every lead by considering whether they'd be a good fit for your business. Naturally the more clients and reputation you have, the choosier you can be! But no matter how much work you have or don't have, some jobs should be turned down. Later in this chapter we'll look at problem clients and how to avoid them.

Essential Client Skills

As a successful freelancer there are several essential client skills that you must master. While some may come naturally, others will require practice. Here are 7 essential client skills:

1. Be warm and friendly

A friendly, affable freelancer will find themselves with happier clients and more work. Freelancing is a service industry and service is best given with warmth.

You don't need to become your client's best friend, but making small talk, sharing tidbits of your personal life, and genuinely liking your clients will go a long way to earning their loyalty and often referrals.

It is best to begin with a semi-formal but warm manner when working with a new client, and gauge their personality and expectations before deciding how informal you can be. Different clients will expect varying levels of formality in business and you should adapt to their needs.

ROCK* QUOTE

When you work in a creative field, certain assumptions are made about you. It's assumed that you listen to bands that no one has ever heard of (guilty), people are predisposed to believe that you'll eat strange foods (uh oh), and you're generally expected to look and behave like an "artiste" - dressing like you're from the future, not paying attention to schedules, being unresponsive to emails - that sort of thing.

It didn't take me long to learn that even the slightest professional behavior - wearing an ironed shirt, preparing detailed outlines - even speaking clearly on the phone - has earned me points with clients. These things aren't exactly huge efforts... A little goes a long way.

Steve Spatucci
An Ounce of Professionalism
FreelanceSwitch.com



2. Be firm

Unfortunately in life it's far too easy to get taken advantage of. Sometimes your client is aiming to do so, and sometimes they may be completely oblivious. In any case, you need to learn to be assertive with your clients. A job is going to cost what it will cost, bills need to be paid when they are due, if the client is at fault for a job being late, they should not blame you, and so on.

Bear in mind that you should not cross that invisible line from being firm to being pushy. It is possible to ask clearly for what you require while maintaining a warm and relaxed manner. Always remember that as a freelancer there is no-one else to stand up for you, so you need to be clear with clients so they understand your needs and expectations.

A common belief amongst freelancers is that in order to provide great service you have to be as accommodating as possible. While this is true, you must remember that your needs and feelings are important, and that there is nothing wrong with speaking up when something doesn't feel right. It is in the best interests of you and your client to discuss any problems before they affect your business relationship.

3. Be honest

In freelancing, as in life, it pays to be honest. Being honest can be stressful or even scary in some situations, but it maintains realistic expectations and leads to better relationships. If you exaggerate your skill set or resources to a potential client, you may find that you will need to live up to expectations that you may not be capable of fulfilling. If a job is running late and you create a reason rather than telling the truth, you may find yourself trying to weave evermore complicated stories to hide the original fabrication.

Most clients will know when you are being straight-forward and honest, and if you expect them to treat you likewise you must exemplify the trait yourself.

4. **Know yourself**

Knowing yourself means knowing your strengths and weaknesses. It means not promising what you can't deliver and accounting for your shortcomings before they become a problem.

If you know that you always over promise or that you find yourself missing deadlines over and over again, then you should compensate for these failings when you deal with clients. For instance, you might add a buffer zone to timeframes because you know there's a chance you'll run late.

Don't beat yourself up if you have areas which need work – everyone has them. Make sure you know what those areas are and how to compensate for them, while you work to improve yourself. As a freelancer you only have yourself to rely on and to represent you, so it's important that you be realistic about the areas you need to develop.

5. **Be thick-skinned**

Unfortunately we don't always like what a client has to say. Sometimes clients will critique your work or criticize your level of service. Having a thick skin will help you get past any offence and give you the clarity to learn from negative feedback.

If you can shrug off a bruised ego and listen to criticism for what it is – useful feedback, then you will be a much more successful freelancer.

The key to being thick-skinned is to be confident in your skills and abilities, and recognize your value to clients. You became a freelancer because you have a valuable service to offer, and

you should be interested in improving. So when you receive criticism, no matter how uneducated the source may appear to be, do your best to listen impartially. Whether you find truth in it or not, real consideration of criticism can only make you a better freelancer. Sometimes clients can surprise you, and you'll find ways to improve your service or skill set from the most unlikely of sources.

6. Stay calm

Freelancing can be a high-pressure job. You'll be juggling clients and projects, and dealing with the not only the jobs themselves but the business of freelancing. When a job is going wrong, when a client is getting angry or when you're not sure how you can fit all your commitments in, having the presence of mind to stay calm and not panic is an invaluable skill.

The ability to stay calm is not an easy one to acquire, but it's almost always the best way to solve a problem. Panicking helps no-one. The best thing to do is to remember that the situation is transitory. If a client is angry, remember that they will get over it and there will be other clients. When a job goes wrong, remember it's probably not beyond repair, and if it is, then there is almost always a way you can make it up to your client.

7. Confidence

It is essential that as a freelancer you have confidence in your skills, abilities and the value of your service. Your clients are hiring you because you can offer them something they cannot achieve themselves. They view you as an expert in your area, and you should feel comfortable in that role. Your confidence will put your client at ease with their choice of service provider.

Confidence does not mean you need to pretend you know things you don't know. Rather it means that you should happily explain what you do know and can do, and if a client

asks for something you are unsure of, simply tell them that you aren't sure but that you'll find out and get back to them. This sort of confidence-inspired honesty lets a client know that they can trust in your skill set and your problem solving abilities.

Relationships

As with any other type of relationship, it is important to understand and work on your client relationships.

Like personal relationships, a client relationship will have needs and benefits, highs and lows, and a beginning and an end.

Benefits and Needs

The benefits of a happy client relationship are obvious: repeat work, a contented working life, and referrals.

To maintain such a happy relationship with your client you will need to fulfil the needs of that relationship. The most obvious need is to have the work you have been contracted to do completed on time and on budget. However there may be other needs that a client will have. For example a client may become uneasy if they cannot get in touch with you readily. Another client might wish to feel they are being taken care of with discounts or added value.

Different clients will have different needs to keep them happy and it is important to identify what those are. Some clients won't mind if you don't return their calls immediately, but they will be very upset if you don't 'give them a good price' on repeat work. Alternately other clients may require a lot of hand-holding but will be happy to pay a premium. As you gain experience with clients you will learn to pick their needs quickly and instinctively. In the beginning you should pay careful attention and respond accordingly.

Consider another type of relationship: friendship. Your friends provide you with benefits company, enjoyable conversation, a sympathetic ear

or the occasional favour. However you cannot expect these benefits if you are not there to fulfil the needs of that relationship, like being there for the other person, calling in on them occasionally, or listening to their problems.

Likewise in a client relationship, it is important to understand that you must identify and fulfil your clients needs in order to have a happy, working relationship with them and to reap the benefits that come of such a collaboration.

Finally you should remember that you too will have needs that must be fulfilled in order to have a happy relationship. Your needs might be things like receiving feedback, being paid on time, or consideration of the time and resources needed to complete a project. Some clients will intuitively know what to do, but sometimes you need to clearly express what you need from them. It may feel uncomfortable telling them that you need to be paid on time or that you need more feedback, but in the long run your client fulfilling your needs is just as important as you fulfilling theirs.

Highs and Lows

Every relationship has ups and downs and you should expect this from your client relationships also. At times your relationship might feel like it's going really well and at other times there may be problems. Don't get too worried when there are problems, just figure out how to fix them and do so. Whatever you do, don't try to avoid the problems by not communicating or leaving work on the back burner.

As with other types of relationship, a client relationship will require more effort and work at some times than at others. Since you should value all your clients, it is important to take time to work on your relationships by perhaps checking up on how they are going, making the effort to do something that isn't strictly necessary, or prioritizing their projects.

Beginning and End

Every client relationship has a beginning when you first meet the client, land the job and start working with them, and an end when your work is finished, or the client doesn't wish to use your services any longer. Both the beginning and the end is important in any client relationship.

The start of a client relationship is vital because this is when you set the tone and expectations of that relationship. Early on you should be clarifying what your needs are from your client, how you will work together and what they can expect from you. It is much easier to define these correctly when work commences than to define or change your expectations midway through a relationship or project.

When a relationship comes to an end it is important that you end amicably no matter what the circumstances are. It is never a good idea to burn your bridges as you never know when you may need to cross them in the future. Even if your client has effectively fired you from the job or replaced you with another freelancer, you should still maintain your usual high level of service right to the very last word.

Educating Clients

Freelancers often find themselves feeling frustrated by their clients. Whether it's because a client doesn't like the work you're producing, isn't providing you with the things you need to do their job or is just expecting the world from you for very little compensation, the reality is working with clients can be a bumpy road.

It is important to realise that many of these issues arise because your average client doesn't know much about what it is you do. Most clients who commission a website don't know the first thing about what is required to design and build one. Most clients who require photography live under the illusion that it's just a matter of pointing some impressive equipment and pressing a button. If a client is ignorant of the process, requirements and skills necessary for your work, they are unlikely to appreciate the time, costs, feedback and assets you require to complete the project.

In short most clients need educating. Guess whose job that is?

That isn't to say that your client needs to know everything there is to know about your line of work. You should be aiming to give your client an overview of what processes are involved, why a certain method or outcome is better and why you are making the choices you are making.

By educating your client you will help them appreciate what you do and understand the rationale behind your costs, choices and timeframes. Ignorance can lead to unrealistic expectations and problematic relations.

Educating is not a hard task – after all you know the material inside out. The best thing to do is make sure you briefly and succinctly explain your actions and plans in laypersons terms. For example if you were showing some mock-ups for a job you might explain how and why you arrived at those designs, what it will entail to develop them further and what you require of your client in order to do so.

There are two fundamental aspects of a job that you will need to help your clients understand:

1. What is involved in a project

Unless your client knows roughly what steps are taken in a project they will have a hard time understanding both your price and your timeframe. Some clients may take it on faith, but it is always better to give them a rough idea of what you need to do in order to complete their project.

2. What impact certain project choices have

As a client there is nothing worse than being told by a freelancer that something has to be done a certain way because they say so. As a freelancer you should have a good reason why a project needs to be completed in a certain way. You should explain this to your client. If a certain choice means the job will cost less, will take less time to complete,

or will just make more sense for their business, then your client will both understand and want what is best for the job – provided you explain why. Educating your client on the impact of project choices also enables them to make informed decisions. They may still ask that you do things a different way, but you can relax in the knowledge that they are aware of the consequences and have taken them into account.

By slowly, incrementally educating your client at each stage of the project, you can help them understand what it is you do, and what to expect for any future projects.

Availability

A simple way of impressing your clients is to always be available and quick to respond. It is surprising how often freelancers fail to provide service levels that larger firms would see as mandatory. Being available means answering your phone, attending meetings on time and responding to emails within a few hours.

This also means that for larger or more corporate clients you will need to match your hours to regular office hours. Although freelancing affords a lot more freedom, clients will generally want to communicate as they would with another organization.

Answering Machines and Away Messages

Since you won't be available to answer the phone every second of the day, you're going to need a message service for your landline and cell phone. Give yourself a friendly, professional voice message and make sure you call everyone back as quickly as possible.

If you are taking a vacation or are away from work due to illness, add a special message to your message service and an auto responder to your email so that your clients know where you are and when they can expect to hear from you.

Instant Messaging

Instant Messaging (IM) services such as *MSN*, *Skype*, and *AIM* are becoming more and more popular, especially when dealing with overseas clients. IM can be a great way to stay in touch with the ease and recording of email, but responsiveness of a phone conversation. Additionally you have the added facility of being able to send files back and forth and discuss them instantly.

Despite these benefits IM is also a good way to get distracted from work. If you communicate with your clients this way, keep it brief and stick to mostly business so you don't set a dangerous precedent for later distraction.

Managing Clients, Projects and Assets

Over your freelancing career you will work on many projects and it is important that you establish a way to manage client details, their projects and assets:

Managing Clients

In business, managing your clients is often called Customer Relationship Management (CRM). As a freelancer CRM translates to storing contacts and details of different clients, keeping track of what has been said to whom and when.

Good CRM will help your business. You can contact old clients when you're looking for new work, or keep records of decisions made in active and past projects. CRM will not only help you provide a thorough service to your clients, it will support you in the event of a disagreement over a project outcome.

There are two ways you can approach CRM. One is through a commercial solution such as *37Signals' HighRise CRM product* - <http://highrisehq.com>, and the other by simply having a system of good practice for your address book and email. The important thing is to be systematic.

You should be aiming to:

- 1. Maintain accurate and up to date contact details for all your clients.**
- 2. Keep easy to browse records of communications with your clients.**
- 3. Keep track of possible client leads.**

Managing Projects

Inevitably you will find yourself working on multiple projects at any one time. Juggling clients, deadlines and tasks can quickly get out of control if you take on too many projects at once. For this reason it is important to maintain some sort of *Work In Progress* (WIP) record.

Your WIP records might simply be a sheet of paper, a to-do list or an excel spreadsheet. The idea is to list all your current clients, their current projects and their stage of development. When you only have one or two clients you can do this in your head, but in busy periods this can get out of control and you may find yourself forgetting items, missing deadlines and feeling stressed that you might forget something.

Some alternatives to keep your WIP are:

- A whiteboard next to your desk with a list of current clients and projects,
- A spreadsheet with each client, project, task and its urgency,

- An online to-do list manager to keep track, or
- A simple pad of paper on your desk.

Managing Assets

During your interactions with a client you will inevitably gather assets for their projects. Whether it's digital assets such as photos, past work and files, or physical assets such as briefing notes, negatives, samples or documents, you will need to have a reliable system of storage.

- **Job bags**

If you've ever worked in a large agency, chances are you've been exposed to the job bag system. If you haven't, a job bag is basically a big envelope with the project title, the start date and clients name written on it. You can buy special job bags, but many agencies just use C5 envelopes. Every single thing the client has given you (discs, proofs, notes, scribbles etc.) goes into the job bag so you can refer to it later if needed.

It can be handy to find a job bag that will fit into your filing cabinet so you can store them easily once the job is completed. You should be keeping your job bags at least a couple of years after the job has been completed.

For large jobs with a lot of paperwork or revisions, you may need to have a series of job bags. In this case you should date their beginning and end date, and number them chronologically.

Job bags may seem a bit inefficient, but for freelancers they can be a life saver if a client disagreement arises or you lose data and need to recreate part or all of the project. You don't need to spend lots of time sorting or organizing each job bag. Just make sure everything is in there so if the worst happens you can delve in and find what you need.

- **Filing cabinets and storing important documents**

Every freelancer needs some kind of filing system. Although most of us spend most of our working lives online, we still need a place to keep all the physical documents thrown at us all the time.

Although cabinets can be expensive, a good one will be very valuable for not only storing documents but job bags and archive discs. If you can get one that is fire resistant and has a strong lock you can feel comfortable that all your important documents are safe from natural disasters and robbery.

Either label your categories very carefully or buy a label maker. Label makers are cheap and you can use them for all sorts of organizational tasks so we recommend buying one.

Organize your cabinet into at least three sections – current jobs, archives and business.

- **Current projects**

This section has your job bags that are still in play. It's generally a good idea to file your job bags up by client, and keep those in alphabetical order. So put in all your clients beginning with 'A' and for each client, put in all their job bags. Then do the same for 'B' and so on.

- **Archives**

This section has job bags from completed projects and your archive discs.

- **Business**

This category has everything that relates to your business itself – things like accounts, receipts, legal documents, and contracts.

Email

Emails are a fantastic invention, but they need to be organized. To keep your emails under control, try the following:

- 1) Divide your folders into *Personal* and *Work*.
- 2) Set up a folder for each job and put every work email you receive into one. You never know what might be important down the track, and it takes just as much effort to place an email in the folder as to press the delete button.
- 3) Have set times for email each day. Reading and responding to emails as they come in is distracting and inefficient.
- 4) Create a *Still In Play* folder where you can put emails that you need to refer back to but have already been responded to. Having an empty inbox is a wonderful feeling.

Desktop Folders

When you're working on a project with a series of surprise revisions, it is easy to find yourself with a desktop full of files and no idea which is the most recent version. The secret is implementing a naming system and sticking to it.

There are a few different ways of categorising your files, and you'll probably tweak your system to suit you as time goes on. Here is a basic set-up to start with.

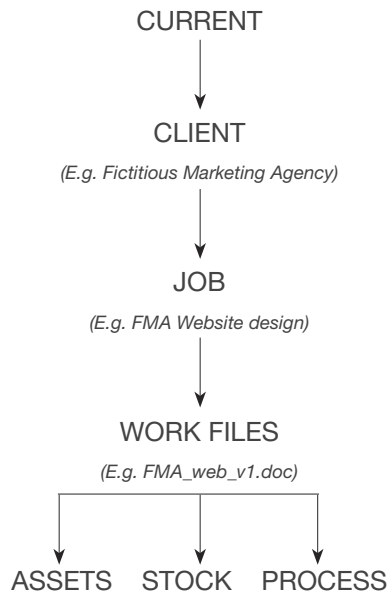
On your desktop you should have two folders – *Current* and *Archives*. Within *Current* you have a folder for each client, and within them a folder for each project.

Begin each file with a code for the client and job. The easiest coding is the initials of the client followed by the name of the project. For example, if you were working with a file for *Fictitious Marketing Agency* for the new website design, you could call the file *FMA_web.doc*.

It is recommended that rather than saving over files when a revision is made, to instead 'save as' and create a new version. This is handy when a client is unhappy with a result and asks you to go back a step, or you make an irreparable mistake on a file. When you are working with many versions of one file you need a good way to distinguish between them. We find the easiest way is to work with versions, i.e.. *FMA_web_v1.doc*. Keep all your versions in one folder.

You should also keep any assets from the client in your project folder as well. If you have any stock photography or the like for the project you should keep it in a sub-folder called *Assets*. Finally, any development work you did before you began the main project (such as preliminary drafts or inspiration) should be kept in a folder marked *Process*.

So, in effect your folders look like this:



As soon as you've completed a job you can move it into your *Archive* folder. If you need it, you may also wish to have a *Personal* folder (for anything not work related) and a *Business* folder (for anything relating to running your business – such as accounts or contacts.)

If you follow this system you'll never have more than four folders on your desktop, and your files will always be easy to keep track of.

Providing Good Service

You must never forget that as a freelancer you are in a service industry. Together with the quality of your work and your price, service is one of the three elements that will decide whether you win projects and retain clients.

Good service is hard to define abstractly but something a client instinctively recognizes. Here are some tips for providing good service:

The Right Manner

As we discussed earlier in the chapter it is important to be warm and friendly with your clients and leads. Having the right manner is about language and attitude:

- **Be clear and informal (but not necessarily casual)**
- **Not abrupt, not verbose**
There is nothing friendly about a one line email. Even if there isn't much to say, it can still be said with more than a line.

OK, got it

Could be:

*Hi Bob,
Thanks for sending that through. I will contact you
tomorrow with an update.
Many thanks,
Cyan*

The other extreme can be just as bad. Long, rambling emails can also give the wrong impression. Remember your clients are busy, so be efficient and effective with your communications.

- **Be personal, warm and friendly**

Courtesies like writing an email to say “Thanks” or “We really appreciate your input” will make a great impression on your client. Remembering details of your conversations with them or inquiring about their interests or hobbies will show you are interested and personable.

- **Be helpful**

There are many classic service lines that we hear again and again because they epitomize good service. Questions like “*Can I help you with anything else?*” and “*How can I be of assistance?*” are common because they show a client that you are interested and capable of solving any problems they may have.

2. **Being timely**

Responding quickly is one of the easiest ways to deliver good service. Think about the last time you were at a restaurant or cafe and had to wait to give or receive your order. Even if the food is delicious, the waiter friendly and the price reasonable, if the wait is long enough you will probably not go back.

Timeliness is vital to good service.

When you respond quickly, clients perceive that you are ready and waiting to help them. Conversely there is nothing worse than having to wait many hours or days to hear back from your freelancer. It is all too easy to take your time with emails or to not return calls until it is convenient – especially if you're facing a deadline or unexpected emergency.

Equally important to being timely is to make deadlines. Hitting the timeframes you specify to your client will build your reputation and keep clients happy. When deadlines aren't met it robs the client of their ability to make decisions and plans on the basis of your projected timeline. Being perceived as unreliable will often deter a client from working with you again.

3. Being available and reachable

We've already discussed this previously in the chapter, so suffice to say that no-one is going to say you provide a good service if they can hardly ever get a hold of you.

4. Looking after your clients

Feeling looked after is another important aspect of perceived service and value. You should aim to take care of your clients beyond what is absolutely necessary.

This might take the form of a piece of extra work you do for them on the house, it might be a Christmas thank you card, it might be giving them a good price because they've been loyal, or it might be going out of your way to source resources or information for them. The intention should always be that your client feel special and appreciated.

Good to Great

These four elements of service – *manner*, *timeliness*, *availability* and *attention* – will make the difference between an ordinary freelance service and a great one. Execute all four AND be good at what you do, and you will retain clients, get referrals and be able to charge a premium rate for your services.

Dealing with Disagreement

From time to time you will run into disagreements with your clients. Unfortunately this will happen to even the most service oriented and skilled freelancer occasionally. The disagreement may lie in how a project should be executed or might be caused by a misunderstanding about payments, deadlines or terms of service.

Below are some tips to consider when that inevitable disagreement occurs.

Document, Document, Document!

If you keep records of emails, meetings and phone calls you will always have something to fall back on when a disagreement arises.

As mentioned in previous chapters you should always write up any instructions given or agreements made in meetings or over the phone, and ask your clients to approve them via email. This way you can minimize misunderstandings and have evidence that you followed client instructions if needed.

Is the Client Always Right?

We always hear that “the customer is always right”. Does this rule also apply to freelancing? The answer is... sometimes. Remember that in retail a single transaction might be worth a few dollars, but when freelancing a client project could be worth many hundreds or thousands.

There will be times when it isn't worthwhile to disagree with a client. For example it is not worth arguing over small points of taste or unusual client requirements that don't really effect you. However, it is important to speak up if a client is jeopardising a project, creating large amounts of additional work, or disputing your entitlements.

So don't sweat the small stuff, but if a client is trying to bully you, or through ignorance is causing problems, then it is important to assert your requirements or professional opinion.

How to Disagree

There are most definitely right and wrong ways to disagree with a client. The wrong way is to get emotionally involved in the situation and become angry or defensive. In this state of mind you will be unable to hide your feelings and you will damage your relationship, even if a client sees your point of view.

Rather you should:

- **Consider whether you might be wrong**

From experience we know that occasionally the client has been right, even when a disagreement is in our own area of expertise. Keep in mind that a client probably knows their industry better than you, and may have a good reason for a request that may not make sense to you. Ask a client to explain their reasoning before you start disagreeing with the request. There is nothing worse than being in the wrong yourself and staking your professional expertise on an assumption.

- **Provide clear reasoning for your case**

Whether it is explaining how a client decision will negatively impact the project and their business, or why you are owed the amount due, clearly explain your case in an unemotional and patient manner.

- **Give your client a way to save face**

It is surprising how often people will cling to their views if only to avoid admitting they are wrong. Give your client a way to change their position without having to admit that they were wrong. For example you might say something like *“Maybe that email didn’t get through and that is why you thought ...”* or *“Perhaps I didn’t explain that very well the first time”*.

Identifying and Dealing with Problem Clients

Not all clients are the same, and with experience you will find you become adept at recognizing clients who may be difficult to work with.

Below we have included some indicators we've found effective, but you may find that yours are very different. Picking and choosing clients is easier when you're a seasoned freelancer with a large client base than a rookie freelancer. Even if you're new to freelancing you should listen to your instincts, as a nightmare client can end up costing you time, money and a great deal of stress.

Here are some of the signs we've learned to watch out for.

1. Clients who are overly protective of themselves

Sometimes clients will ask you to sign legal documents, such as non-disclosure agreements, terms of supply agreements, and contracts. Often these documents are acceptable, as long as you understand and agree to the terms. However, always keep in mind that any legal document a client asks you to sign will have been drafted by their accountant to protect their interests. Any document which leaves you financially liable if the project goes badly should not be signed by any freelancer who wants to stay in business.

Clients who are too focused on protecting their interests should probably be working with a large agency who are equipped to handle their requirements. For a freelancer the risks can be too great, and the client should probably be avoided.

2. Clients who ask whether they will need to pay for your work if they don't like it

This is a common misconception in the design business. A client will believe that if they don't like the outcome of a project then they shouldn't need to pay for your work. This can indicate that the client does not value your time, does not trust your service, and almost always means they will be hard to work with.

3. Clients who have had many bad experiences with other freelancers

Sometimes clients really have worked with unprofessional or unskilled contractors in the past, however sometimes they were the problem themselves. In a string of bad business relationships the common factor might just be the client themselves.

Paying attention to these and other warning signs may help you to protect yourself against unnecessary trouble. Remember that when meeting new clients, it is a two-way interview. Not only are they deciding if you are the right freelancer for them, you should be assessing whether they are a good fit for you.

Always remember that every client is different and there are no hard and fast rules. Try to give your client the benefit of the doubt if you are not completely sure. Use your instincts to judge whether to work with a client or not. Often simply seeing whether you like them as a person will help you make your decision.

9

Getting Paid

You've done all the work and now it's time for the good stuff – the money! In this chapter we'll take a look at invoicing, cash flow, book keeping and strategies to combat clients failing to pay up!

Invoicing

An invoice is the bill for your work that you present to your client. It can be generated in a number of ways:

- You can write one up using *Word*, *Excel* or some other document program,
- You can use an accounting package (such as *MYOB*), or
- You can use a web application such as *FreshBooks* - <http://freshbooks.com>.

An automated system such as a web application or accounting package is advantageous because everything is tracked, invoice numbers are generated automatically and some systems such as *Freshbooks* even help clients issue payment.

Typically an invoice will include the following:

- An invoice reference number,
- Your logo,
- Your business name,
- Your registered business address,
- Your business registration number or details,
- The clients name, address and details,
- The project or job details,
- An itemized account of charges (if applicable),
- Any taxes payable,
- The total amount payable,
- Your payment terms, and
- Payment options (cheque, bank transfer, *Paypal*, Credit card).

Sample Invoice

A sample invoice is included on the next page for your reference. How you format your invoice and what you need to include depends

Tax Invoice

Reference Number: INV_000



| <p>Invoice Date: (date)</p> <p>Attention: (Clients name) (Company name)</p> <p>Consultant: (My name) (My email) (My mobile/cell number)</p> <p>Good Creative: (my office number)</p> <p>Our address</p> <p>Our Website address</p> <p>Our ABN (Business number)</p> | <table style="width: 100%; border-collapse: collapse;"> <thead> <tr style="border-bottom: 1px solid black;"> <th style="text-align: left; padding: 5px;">Item</th> <th style="text-align: right; padding: 5px;">Cost</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">(the work I did)</td> <td style="text-align: right; padding: 5px;">\$</td> </tr> <tr style="border-top: 1px solid black;"> <td style="padding: 5px;">SubTotal</td> <td style="text-align: right; padding: 5px;">\$</td> </tr> <tr style="border-top: 1px solid black;"> <td style="padding: 5px;">Tax</td> <td style="text-align: right; padding: 5px;">\$</td> </tr> <tr style="border-top: 1px solid black; border-bottom: 1px solid black;"> <td style="padding: 5px;">Total</td> <td style="text-align: right; padding: 5px;">\$</td> </tr> </tbody> </table> <div style="text-align: center; padding: 20px 0;"> <p style="font-size: small;">Please find payment terms & methods overleaf. If you have urgent work waiting on payment of this invoice, please forward a receipt or notification of payment to your consultant.</p> <p style="font-size: x-small;">Thank you for working with (our business name)</p> </div> | Item | Cost | (the work I did) | \$ | SubTotal | \$ | Tax | \$ | Total | \$ |
|---|--|------|------|------------------|----|-----------------|-----------|------------|-----------|--------------|-----------|
| Item | Cost | | | | | | | | | | |
| (the work I did) | \$ | | | | | | | | | | |
| SubTotal | \$ | | | | | | | | | | |
| Tax | \$ | | | | | | | | | | |
| Total | \$ | | | | | | | | | | |

Page 1 of 2

Sample invoice page one

*NB. This invoice was used in Australia and should be altered to suit your business.
This model should be used as a rough guide only.*

Payment Information

Terms of Invoice & Payment Methods

Thank you for choosing to work with (our business name). Please find methods for making your payment below. If you have any queries please contact your consultant.

Terms of Invoice

(Here I put my terms: when payment needs to be made, what rights we maintain, how they can find out about our full terms and conditions, if and when we charge late fees, and if and when I require deposits or milestone payments).

How To Pay

(Here I outline how clients can pay their invoice. Yours might be different, but here's an example.)

Cheque

Send cheques made out to:

(Our company name)
(Our postal address)

(Accompany the cheque with your Reference Number found at the top of your invoice "INV_")

Direct Deposit

Our Account:

(Our account name)
(Our bank name)
(Our account details)

(Label your transaction with your Reference Number found at the top of your invoice "INV_")

Credit Card

Visit our website:

(Our URL) and click on "Client Tools" to use the Paypal facility to quickly and securely pay by MasterCard or Visa. (FreelanceSwitch has a tutorial on how to do this on your website: <http://freelanceswitch.com/money/making-a-paypal-form-tutorial/>)

(You will be required to enter your Reference Number found at the top of your invoice "INV_")

Quick Turn-around

If you have any urgent work waiting on this invoice to be paid, please forward a receipt or notification of payment to your consultant as this will help speed up the process. We appreciate your assistance.

Sample invoice page two

NB. This invoice was used in Australia and should be altered to suit your business. This model should be used as a rough guide only.

on your own preferences and the legal requirements of your region. For example, we freelance in Australia, and in this country invoices must include an *Australian Business Number (ABN)* as well as *Goods and Services Tax (GST)*. You will see these on the sample invoice, however in other countries these may not exist and requirements will be different. Check with your local government or accountant for guidance if you are unclear.

Payment Terms

The time within which a client has to pay you is referred to as your payment terms. Often you will specify your payment terms in your initial quote or in a contract. Payment terms are usually in one of the following formats:

- **Within X days**
This would mean the client has a certain number of days to pay. For example 90 day terms means the client has to pay the invoice within 90 days.
- **Cash on Delivery (COD)**
COD means that the client must pay the invoice on delivery of the final work.
- **Prior to Delivery**
Alternatively you may decide to not release the final work until full payment has been made. This is a very safe way of working, though it may alienate some clients.

Be aware that some clients, particularly larger ones will have a standard payment term that they give their contractors. Usually it is fairly unfavourable to the freelancer – 60-90 days is common. They do this because it is better for their cash flow or they have a complex accounting system.

Any negotiation on terms should be completed *prior* to commencing the project and should be included in any contract you or your client draws up. If you try to enforce your own payment terms at the conclusion of the project they may be ignored or cause dissension.

Deposits and Milestone Payments

It is often a good idea to take a deposit before you commence work on a project. This will lessen the risk you take in spending time and effort on a client who you may not yet trust.

Deposits are typically between 10% and 50% of the final amount payable.

If you are taking a deposit you should send an invoice for it prior to commencing the project and state on the invoice that work will commence *after* the deposit has been paid. You should also state the circumstances under which a full or partial refund will be possible. Possible scenarios might be if you are unable to work on the project due to illness or some other unforeseen circumstance, or if the project as a whole is cancelled for some reason before you commence work. It is up to you to define your terms, but having them will give your client peace of mind that they will see their money again if you cannot fulfil your commitment for some reason.

Similarly if you have set up a series of milestones for a project you will need to invoice at each milestone for an agreed amount. Of course you should not proceed with work until each milestone payment has been made.

Cash Flow

Cash Flow is a term you hear a lot in business. It is a simple but important concept. Cash Flow refers to how money comes in and goes out of your business. When you have lots of money coming in and not much going out, then you'll be in a great position. If the reverse is true then you're headed for trouble.

As a freelancer you will be primarily billing for jobs *after* you have completed them, and sometimes you may not get paid for a long period after the invoice has been issued. This means that at any one time you will usually be owed a sum of money from your various clients.

Having money owed to you isn't the same as having it in your account. If you need to pay bills or cover living expenses and the money you need to do that is still owed to you, then you have a cash flow problem.

Unlike a regular job, freelancing does not result in a regular steady pay cheque. Some weeks you'll be riding high after receiving payment from a few big jobs you did the month before, and other weeks you'll be running dry awaiting clients to pay you, or worse not having any projects coming in.

Planning for these ups and downs is essential. Here is a simple way to plan your cash flow:

1. First, work out your estimated expenses over a year. Categorize them into weekly expenses and one-off or irregular expenses. Don't forget to include things like credit card repayments and taxes even if you're just guessing.
2. Next, write out the weeks of the year in a spreadsheet.
3. Create a column for regular expenses and enter the sum for regular weekly expenses (living, rent, gym membership etc.) in each week.
4. In the next few columns plot in the irregular and one-off expenses. So for example if you know that your taxes have to be paid in September, that's where that figure should appear. If you need to buy office equipment at the beginning of the year, pick a point when you will do it and write in a cost estimate for the equipment at that point. If you know you'll be spending more over the holiday periods then be sure to include those extra expenses too.

Your aim is to plot where you will need to spend more over the course of the next year as accurately as you can.

5. In the next column you can list how much cash you will need

to spend each month at the beginning of the month. It may be a good idea to add 20% or so on top for unforeseen expenses. So if during February you will have \$5000 of expenses, you'd know that at the *beginning* of February you are going to need at least \$6000 in the bank to be able to pay for it all and cover anything you haven't thought of yet.

You will now have begun to get a good idea of when you are going to need money.

6. In the final column you should write out an estimate of how much you expect to be making each month. Until you have started freelancing, this is quite hard to do, but it's worthwhile making an educated guess. Keep in mind that in most countries the period over the new year will be a quiet time for freelancers, and you may need some cash reserves from the months before.
7. Because you won't actually receive money for a period of time after you have completed a project, you should adjust this column so that all the figures are moved down 1-2 months. So if January is your first month freelancing then you can assume that your first pay cheques won't arrive until February or March.

This exercise while not precise, is intended to give you an idea of what vulnerabilities you may have with cash flow so that you can plan to have enough reserves to cover shortfalls and keep you in the black.

Reserves and Lines of Credit

Having a cash reserve is essential for any freelancer. There are so many situations where a cash buffer may be required. For example clients might not pay or might take a very long time to pay. A project might go badly and you have to cover the difference, or a client might ask you to pay for resources on their behalf but not bill them until the end of the project. There are a thousand situations where a cash reserve will afford you peace of mind and might even save your business.

In every instance having a cash reserve ensures that you can cover expenses while you await your income. Of course a cash reserve will not save you if you're not making enough money to cover your expenses. You still need to make more than you spend, but having a cash reserve will help make sure that you don't accidentally fall in the gaps between project and payment.

Another tool in your arsenal should be a line of credit such as a business credit card (or personal one reserved for business expenses). While you should not rely on a credit card, they are an easy way to cover small cash flow problems. Make sure you find a card that charges a low interest rate and as with any form of loan, you must be disciplined with repayments.

Stabilizing Cash Flow with Steady Income Streams

One of the main drawbacks in freelancing is the unpredictable nature of income. However you can stabilize your cash flow somewhat by creating steady secondary income streams.

Depending on your skill set the sorts of things you might attempt differ, but examples include selling stock files, selling an e-Book, or running advertising on a blog.

Having a secondary income stream will create a reliable source of cash flow which will mean while you still have highs and lows, you will know you will always have some money coming in. For more information about passive income, check out the *FreelanceSwitch Passive Income Guide* at <http://notbythehour.com>.

Bookkeeping and Accounts

Most freelancers shudder at the thought of accounting, however it is essential and there is no escape for any freelancer who wishes to remain in business.

Get an Accountant

When embarking on your freelancing career you should spend some time finding a qualified accountant who you trust. An accountant will explain what is required of you in your country or state for tax and accounting purposes. They will also be able to recommend either a good bookkeeper or the right bookkeeping software for you.

A bookkeeper can maintain your day to day accounting records (they keep your books), while an accountant oversees everything, files your taxes, provides advice on how to reduce your tax and expenses, and puts together profit and loss statements. Every freelancer should have an accountant, but it is up to you whether you also take a bookkeeper.

In most instances freelancers don't have particularly complicated records and with a little effort you will be able to save on a bookkeeper and complete them yourself. If you choose to create and update your own records you will need to use appropriate bookkeeping software such as *MYOB* or *Quickbooks*. Accounting software systems can take some time to learn, but you can check in with your accountant regularly to see if you are keeping your records correctly.

When choosing an accountant, it pays to work with someone who comes recommended by a friend or colleague. Accountants, like any other service, come in varying shapes and sizes. Some are very expensive, some cheap, some specialize in larger businesses, some in small, some have very little time for freelance businesses, and others will specialize in your area. Find the right person even if it means paying slightly more, because having a good accountant makes freelance life a lot less stressful!

Day to Day Accounting

Whether you have a bookkeeper or not, there are some things you should do on a day to day basis to keep your freelance business running smoothly:

(1) Keep solid records

Recording money coming in and going out is the foundation of your accounts. That means keeping and filing copies of invoices, receipts, bank statements and credit card statements. These documents should be filed separately from your non-business records.

(2) Use a petty cash book

A petty cash book is something you can pick up from most newsagents and is simply a book to record small, day to day expenses. At the end of each month you can collect all relevant receipts and note down your cash expenses according to category. You can either staple the receipts directly into the book or keep them in a series of envelopes which you file. Always keep your receipts in case you are audited. If you are unsure how to fill out your petty cash book take it along to a meeting with your accountant or bookkeeper and ask them.

(3) Update your accounts at *regular intervals*

Accounts get exponentially harder the longer you leave them, so it is important to update your records on a regular basis. Whether you do them yourself or you hire a bookkeeper to come in at regular intervals, it is vital that you keep your accounts up to date so that you do not create an insurmountable task for yourself. Regular record keeping will also give you insight into your business' financial position. The government takes your accounts and particularly your taxes very seriously and there can be severe consequences should you not fulfil your duty to the tax department of your region.

(4) **Track tax-deductible expenses**

When you own your own business many expenses suddenly become tax deductible. At the end of every year you have earned an amount of money that the government will tax you on. If some of that money has been used for business expenses like transport, resources or equipment, you will not be taxed on that money. It is in your best interest to discover what is tax deductible in your region and always collect receipts. Those receipts will directly translate to a smaller tax bill, and they all add up over time.

Of course you should never try to cheat the government, but these tax laws have been created for a purpose and it is your right and responsibility to claim all possible deductions.

Taking Payment

These days a lot of freelance work is conducted online, and often without you and your client ever meeting face-to-face. Thanks to the web we now have access to an international client pool. However this can present a whole raft of new issues around legal rights, trust and payments, as each country has different rules and regulations.

Bank and Cheque Processing Fees, and Effort!

When it comes to taking payment from international clients, your number one enemy is processing fees. It differs around the world, but certainly here in Australia processing a cheque from overseas or receiving a bank transfer can incur significant fees. For example recently we processed a US\$100 cheque at a local bank, the total of fees we paid came to AU\$33 which is about US\$25. So basically close to a quarter of the cheque went to the bank.

On top of losing a quarter of the value of the transaction, the whole experience took ages. The teller looked at the cheque, looked a bit confused, sent us off to a special desk where we had to wait for 10 minutes, then we were kept waiting another 10 minutes while the

processing was handled. So the whole expedition cost us about 30 minutes of our time as well. After spending a quarter of the total PLUS half an hour of our time, all of a sudden this cheque was proving quite the waste of effort.

Bank transfers aren't that much better. On the occasions when we have received an invoice payment wired to our bank it usually takes at least a week to arrive, the client will often have trouble making our bank account numbers work in their internet banking systems and again we usually lose a big chunk of money to "processing fees".

In short, the situation with banks and cheques is lousy. It may be marginally better for other regions, but for us at least, we find myself looking elsewhere.

Using PayPal (or Moneybookers, PayPay and others)

These days there are a growing number of trustworthy online payment solutions and chances are you've used one or more before. *PayPal* - <http://paypal.com> is our own personal choice, however this service is only available in some countries. Good alternatives to *PayPal* include *MoneyBookers*- <http://moneybookers.com> and *PayPay*- <http://paypay.com>, which offer similar services.

All three services have a basic payment facility where you can invoice your client by simply sending them an email requesting them to visit the *PayPal* (or other) website and make their payment using their choice of credit card or other payment option. With *PayPal* you can either use the basic "Request Money" tool or send an email invoice. And there's integration with *Outlook* and *Quickbooks* as well.

The main advantage is that the client doesn't need to actually have a *PayPal* account themselves. They can simply pay by credit card. When you receive payment in your account you can transfer it from there to your bank account. Transfers to and from bank accounts take between three and five days.

What's the Catch?

There are some drawbacks to using these systems. The main one is fees. *PayPal* takes about 2.5% of your takings, so on a \$100 transaction you'd lose \$2.50 to fees. However if you have a \$10,000 transaction, that number will be more like \$250 which is quite a lot more. These fees come from credit card processing and are unfortunately somewhat unavoidable. Make sure to work transaction fees into your quote at the beginning of the project.

You can find a full *PayPal* rate schedule at <http://paypal.com>. It works in a slightly more complicated fashion than a flat percentage.

Another catch is that when you take payment from a credit card you become vulnerable to charge backs. If a transaction is disputed and you don't have a signature and physical documentation, the money can be refunded back to the card holder. This isn't a common problem for freelancers but it is worth being aware of. *PayPal* has a payment resolution centre to deal with issues like this. *Paypal* is not a perfect system, but it is the best available at this time in our opinion.

Escrow

So far we've discussed ways to make payment easier and incur less fees and charges. However there is another important issue with international dealings – trust.

When you've never actually met a client and you don't know anything about the country they are contacting you from (or even if that's really the country they are in) there can be some very real trust issues.

Fortunately there is a service that caters to this market too. *Escrow* - <http://escrow.com> works as an neutral third party in your transaction. They are like the Switzerland of internet transactions. Here's what happens:

- 1) You and your client agree on the amount the project is worth,
- 2) The client pays that amount to *Escrow* who holds the funds,
- 3) You complete the project and send it to the client, then
- 4) The client confirms that work is completed and *Escrow* releases the funds.

As the contractor you can be sure that the client really is prepared to pay, and the client knows that you won't receive payment until you've handed over the work. You both know that if something goes wrong *Escrow* has a system of investigation to find out which party is in the wrong.

There are some additional fees for the *Escrow* service which you can choose to split or have one party pay. Generally for a freelance transaction that would come from the client. You can find information about the fees at <http://escrow.com>. Fees usually come to about 3 to 4 percent.

We've used *Escrow* only once (as a buyer) and our experience was positive. You have to jump through a few hoops to identify yourself, but this process affords a great deal of security for both parties.

For a large project with an unknown client *Escrow* is probably the safest option.

Getting Clients to Pay

Unfortunately during your freelance career, there is a good chance you will find a client who either refuses to pay, tries to reduce their payment or delays payment for as long as possible. These clients can cause significant problems for a small freelance business, particularly if their job makes up a large portion of your billable work during a specific period.

Before we discuss ways to ensure you get paid, it is worth noting that for this very reason it is a good idea to always keep a cash reserve in your business or personal account to weather such times. Not having enough cash to pay your daily costs while you wait for bills to be paid - also known as cash flow problems - is a major cause of small businesses closing down.

When a client refuses to pay, you generally find yourself looking back to the original quotes, emails and invoices for assistance. It is a good idea to have clear, itemized quotes so that you can show that you have completed the work you were commissioned for. It is also a good idea if your invoice has a clear payment date that you can point to. If you have emails that show the client was satisfied with the work, this will also help to state your case.

So lets look at three common scenarios:

Client takes as long as humanly possible to pay

On your quote and later your invoice you will have written your 'terms of payment', or in other words the length of time after your invoice is issued that payment must be made. This ranges from cash on delivery to 90 day terms. Clearly giving the client 90 days to pay your invoice really favours the client and for a freelancer we wouldn't advise such generous terms. Rather most freelancers should be looking at 0 - 30 day terms. Large companies can manage long waits for payment, you cannot.

If a client delays their payment outside your terms, it is your responsibility to begin reminding them that payment is overdue. Remember the only people who should be embarrassed by this are the people who haven't paid, so you should feel no sense of about regularly calling or writing about money.

A weekly or even daily (in extreme situations) reminder about an overdue payment almost always does the trick. There is an old saying 'the squeaky wheel gets the grease' and this is particularly true when it comes to receiving payment. If the client does get annoyed with you for asking to be paid, consider that this is part of their strategy to avoid paying you. If this is true then they may not be a client worth working with again.

One other strategy to guard against late payments is to institute a system of late fees. This may take the form of something like 1% late fee when a payment is overdue and a further 1% for every calendar month after that. Do not set a late fee that is overly high. Generally you should not charge more than about 12-15% of the outstanding amount per calendar year - similar to a credit card's rate of interest. Ensure that you have outlined your late fee system in your terms and conditions if you choose to use them.

Late fees can be effective, however many clients will bristle at them. They can create animosity, particularly if you are stringent and issue a late fee the moment an invoice becomes overdue. Similarly if you issue a late fee for a client who has always been good to you, there is a good chance you will receive an angry email or call! Often the idea of a late fee is enough to encourage a client to make immediate payment, so it is often good policy to not actually insist on late fee payment unless they are a repeat offender.

Client tries to reduce payment somehow

In this scenario a client might accuse you of not delivering everything they asked for. For this reason that it is so important to have a clear and itemized quote. It is wise to ask your client to 'sign off' on a quote - i.e. you have a printed copy with the client's signature. If you don't have a signed copy, a deposit payment or a some sort of written go-ahead will most often suffice to show that the client had accepted the quote.

The best thing to do in this situation is to visit the client in person. Rather than take an adversarial stance, go in with two thoughts in mind: (a) You wish to ensure your client's needs have been met and that if they are asking for reductions it may very well be for a good reason; and (b) You will not cave in simply to please the client, and you must ensure that you are firm without being aggressive.

Seeing the client or speaking over the phone is the best way to clear up whatever issues have caused the problem. If you feel the client is simply trying to worm out of paying then point to the quotes and any other documentation showing that you delivered what was requested. If the issue cannot be resolved - which is unlikely - then you have escalated to the following scenario.

Client refuses to pay outright or avoids you

When a client outright refuses to pay an invoice, it is time to seek legal counsel. Every situation is a little different and laws in different countries vary on how this plays out. Generally speaking you should always have a lawyer that you have some contact with so that in a situation you can call on their services.

You may also consider hiring a debt collector. Debt collectors take a percentage of the amount they are hired to collect and are usually very experienced at extracting money from rogue clients by both persistence and threats of legal or financial ramifications to their actions.

There are unfortunately times - particularly for small sums of money - where it's easier to write off a loss as a cost of doing business and avoid both that client and similar sorts of clients in the future. Sometimes legal and debt collection costs outweigh the amount of money owed. It is frustrating and upsetting but sometimes it is just simpler to learn from the experience and leave it behind you.

Having said that, most clients will be trustworthy and will honour their word. You'll also find that most often your instincts about a person will be right, and as long as you're sensible you will probably not have problems with payment.

It is important to do your best to take emotion out of your business. Even if very occasionally you receive less money than you're owed, that is a very small cost of being able to live and work as a freelancer.

10

Marketing Yourself

Jobs are the lifeblood of freelancing, so finding them is an essential skill for any good freelancer. To do so requires some marketing skills. In this chapter we'll discuss how to position yourself to appeal and attract clients, how to devise a marketing plan, promote and market your business.

Positioning Yourself

The first step in marketing yourself is to define your target market. Knowing your audience means you can tailor your marketing and promotions to appeal to them, giving you the best chance of success.

Ask yourself what kind of clients you want. Are you chasing companies or small business? Is there a particular industry that you want to work with such as the music industry, retail or corporate? What other characteristics do your target clients share?

Be as specific as possible. You may be happy to work with just about anyone, but who specifically are the clients you want to be marketing to? Some of the factors you might wish to think about when deciding are:

- Do you have any particular experience, style or skill that would fit well with a certain type of client or project?
- Is there a class of client that is under served? In other words are there any untapped niches that you could corner?
- Are there types of projects or client that pay particularly well?
- Are there types of projects or client which would give you great personal satisfaction to work with?
- Do you have particular contacts or any other type of 'foot in the door' with a certain industry?

You will find that there are a few types of client or project that would suit you. Your aim is to refine down from 'everybody' to something more specific.

As you work as a freelancer you may find that you inadvertently end up serving a particular niche of client that may not have been the type you were chasing. For example you might get one client in retail who

refers you to more clients in retail until all your work is in that area. If this happens, run with it.

Targeting specific types of client or niches means that you develop expertise, contacts and an in depth knowledge of those industries. This makes it easier to pitch and win new clients as you draw on previous experience and can position yourself as an expert. Often clients across an industry will have similar needs and aims, similar budgets and even use the same vocabulary or ‘industry-speak’. It is a great asset to already be familiar with all these.

Aiming Your Pitch

Once you have identified your target market you can decide how to present yourself so as to best appeal to that market. Here are some things you might do to pitch your service to your target market:

1) Target your portfolio and client list

Although you can't make up who you have worked with before or what work you have produced, you can decide what to leave out. If you are aiming for corporate clients you might want to emphasize what relevant experience you have and leave out any controversial work when meeting clients. If you want to work in web design you might leave out some of your print design work so that your portfolio looks more balanced. If you want to write for a gossip magazine you might not emphasize your high-brow, literary clients.

In other words tweak your portfolio and your client list to match the type of *work you want* to have not what you have already done. This can be difficult to do and may take a while as you build up the right work to show, but keep at it.

2) Tailor your pitch

When you go into a meeting, send an email off, or just find yourself talking to a potential client, you will find yourself pitching your work and services. It is important that you perfect your pitch. You should be able to describe your work

and your services in such a way as to appeal to the type of client you want. While you may alter this pitch when speaking to other types of clients, for the occasions that matter the most – i.e. speaking to your target market – you should be saying the right things.

Tailoring your pitch is a matter of making it suit their needs and wants. If you know that pricing is important to your target market, you might discuss how you provide value in your services. If your target market is concerned with trends you might mention how you keep up to date with trends and fashions.

Consider what your target market wants to hear, and how you can best help and serve them. Then sketch out what you want to say and practice it so that when the time comes it's second nature.

3) Tailor the way you dress and speak

How you dress and speak can make a big difference with certain types of clients. The general rule is to loosely match yourself to your target market. If you are chasing large corporate clients and meeting them in their offices it is best to look professional. If you are after indie record labels, wearing something trendy and behaving casually might be a better approach.

In *Chapter 2 - Your Brand*, we discussed building a reputation. Your reputation will play a large part in how you are positioned in the market. If you are known for a certain type of work, clients may not see you as appropriate for another type of project. For example if you are a freelance photographer known for photographing indie bands, you may have a hard time getting corporate portrait jobs. Similarly if you are famous for corporate branding you may have a difficult time winning over non-corporate clients looking for an edgy style. You should always consider your target audience when working on building your public reputation.

Marketing Cycles

It can be hard to define which marketing strategies yield results, which is why a marketing cycle can be so useful. A marketing cycle works in three phases to help you define what works and what doesn't. These phases are planning, activity and review:

Stage 1: Planning

Using a word processor, pad of paper or planning application like *Basecamp* - <http://basecamphq.com>, define the following four categories:

- **Target market**
Who is your target market? Who are the clients you are trying to net? Spend some time researching them and find out what needs they have, what media is best to reach them, and what competitors are doing to meet their needs.
- **Plan of action**
How can you reach your target market? Consider what contacts you might have, what strategies would appeal to your market and methods you can use. Write out a list of things you will do. Later in this chapter we'll give you lots of ideas to choose from.
- **Timeframe**
When will you execute each strategy? Consider and write out a timeframe for your marketing.
- **Marketing goals**
Identify measurable goals for your marketing plan. Although your overall aim is to get work, it is **vital** that you plan out specific, measurable goals. A measurable goal is something like "Make contact with at least 6 leads" while a non-specific goal is something like "Get more work". Plan only a few actionable goals so that when you do get a positive result you can track it to one specific strategy.

It is important to define specific, measurable goals so that you can see whether you have achieved what you set out to do. In the review phase of your marketing cycle these actionable goals will be very important.

Stage 2: Action

Once you have planned your goals then it is time to put them into action! It's wise to set aside some time every week to focus on your marketing plan. It is important to set aside time as client work will always feel more important and pressing than working on your own business. Marketing now will help your business stay healthy and profitable in the months to come

Stage 3: Review

After you have executed your plan of action it's important to review their success and the lessons you have learnt. Was that the right target market? Did you approach them in the best possible way? Did you achieve your goals? Did your goals translate to more clients, a larger network, or any other benefit? What could you do differently or improve upon?

Using this new knowledge begin again. Write out a new plan implementing what you learnt executing the first cycle.

Cycles

It is up to you to determine the length of each cycle. If you are desperately in need of work the cycles would be much shorter, more frequent and require more time and energy each week. If you have a comfortable number of current and upcoming projects you might take two or three months for each cycle. If your workload is very high you might space out a cycle over six months. It is best not to draw out your plans for much longer than six months as you will lose focus over such a long period. If it doesn't feel possible to do everything you want to do in less than six months, then you should lessen your number of actionable goals per cycle. It's better to have smaller cycles with different strategies than one long cycle with many. Shorter cycles will help you define what works and what doesn't quickly and easily.

Marketing Yourself in Person

As a freelancer you should always be ready to promote your business. In day to day life you never know when you might meet someone who would make a good client or knows someone who might be. Whether it's someone you meet at a party, a networking event or at your local coffee shop, you should always be ready and prepared to discuss your business.

Business Cards

A business card is an essential tool for any freelancer. Make sure you have cards that:

- Are clear enough to read when flicking through a business card holder,
- Spell out all the main avenues of contact,
- Are well designed and presented,
- Are a size that will fit into a business card holder, and
- Are crisp and unwrinkled (invest in a business card holder).

It is standard practice to give your business card to anyone you meet at industry events, networking functions, or in a professional capacity, so don't be shy to do so.

Remember that your business card is the anchor to remind your contact of you. They will carry it around and even if they forget you will be reminded of your service when they find it in their pocket or card holder. Your business card is in this sense your ambassador.

Your Manner

When talking about your business it can feel like you are ‘selling’ yourself. There is a natural inclination for most of us to speak humbly about what we do – but unfortunately this is not an effective strategy in business promotion. While sometimes it may genuinely be inappropriate, on most occasions people will be interested to hear what it is you do.

ROCK* QUOTE

Here’s my elevator pitch from my freelance creative services business, which I used in a variety of networking situations: “Hi, I’m Janet Green, president of Green & Company Creative Services. I create professional, affordable marketing and promotional materials for small and home-based businesses. May I have your card? I’d love to send you samples of my work, and discuss ways I can help you with your marketing efforts.” It was short and sweet, and communicated immediately what my business was all about.

Janet Green
Marketing Agility Course: You Can’t
Strike Out With These Pitches
MarketingIdeaBlog.com



When you meet someone new you will invariably be asked profession you are in. When you are, you do not need to spend lots of time describing your business. Have a brief ‘elevator pitch’ ready – no more than three sentences to describe succinctly and confidently what it is you do. Answer any questions they may have, and after that just get back to socializing and enjoy their company as you would anyone else.

Networking

It’s an oft-quoted saying that ‘it’s not what you know, it’s who you know’. As a freelancer it’s essential to get out there and network. The more people you know and know you, the more likely that new projects will get sent your way.

People are always looking for someone they know and trust to take care of them. What you view as a work opportunity to them is a problem they need to deal with. No one wants to go through the phone book to find someone, which is why

it's so important that you be the contact they think of when a project comes up.

You should consider going to places and events specifically to network. From conferences, to user groups, to tradeshow, to industry or small business association events, think about both where your potential clients might be and where you can meet contacts.

The Idea Bank

Marketing in person of course is only one way that you might promote your services and attract jobs. There are numerous other options and below you will find a list of ideas for marketing which was published on FreelanceSwitch as *101 Ideas to Get More Freelance Work and Generate New Client Leads*.

1) Word of Mouth

Reaching leads by word of mouth is a particularly potent marketing strategy because it implies a recommendation by a trusted third party. For more on referrals, see *Chapter 4 – Getting Your First Jobs*. Some ideas:

- Enlist your family and friends to spread the word about your services.
- Send out an email to everyone in your address book, announcing what you do, where you are and what you can offer.
- Ask your satisfied clients for referrals.
- Offer free consultations to new referrals.
- Consider a referral or finders fee.

2) Clients

Many of your clients will need to commission more than one project, so marketing to current and past clients can remind them of your service and what you can do for them. Some ideas:

- Get in touch with past and current clients when you have a new service to offer them.
- Get in touch with past and current clients when you have completed a flagship project.
- Start a newsletter.
- Take advantage of every outgoing email by using your email signature as a marketing tool.
- Send promotions for services with your invoices.
- Ask your clients to place a credit on your work in web, video or print.
- Make a calendar featuring your work for clients to put up in their offices.
- Make a poster for your client to hang up on their office wall.

3) Networking

Strategic networking is identifying how you can mingle with people likely to be potential clients and people who might refer you to potential clients. Some ideas:

- Attend industry events - conferences, association meetings, seminars.
- Go to events in your client's industry.

- Sponsor a client event.
- Join your local Chamber of Commerce and get involved.
- Do some *pro-bono* work for a charitable organization with industry links.
- Get involved in social groups you're connected to (church, school, university).
- Join an industry organization and get listed.
- Contact people you used to work with and ask them to send you any run-off work they might have.
- Offer to give a seminar to a local business group.
- Practice an elevator speech about what you do and have it ready to go wherever you are.
- Participate on online forums (using the forum signature line to outline your services).
- Comment on blogs to draw people back to your freelance site.

4) Promotions

Not every job is the result of a referral or word of mouth. Potential clients may find freelancers via advertisements, directories or marketing materials. Some ideas:

- Get car signage.
- Get t-shirts made with your website address printed on them and wear them.
- Try location based *Google Adwords*.

- Advertise in a niche magazine or trade publication e.g. a magazine for the restaurant industry.
- List yourself in business directories or the *Yellow Pages*.
- Research websites the your clients visit and buy advertising there.
- Advertise in online directories.
- Take out an ad out in a local newspaper.
- Participate in a trade show.
- Holidays are your friend! Send a clever holiday greeting to clients that showcase your service.
- Promote a free first consultation service.
- Have a gimmick that makes you stand out.
- Give something away for free with any consultation.
- Place an advert in an industry newsletter.
- Offer branded pens and paper at industry events.

5) **Be an industry expert**

Positioning oneself as an expert means not only getting more work, but being able to charge more for your services. Although expertise is a prerequisite, generally speaking being known as an expert is often a matter of decision. Some ideas:

- Pitch an article to an industry publication.
- Pitch a story to a blog or resource website.

- Offer to speak at industry and networking events.
- Start a blog.
- Submit tutorials or how-to's to websites.
- Write an e-Book or Report for your target market and promote it online.
- Enter your work into competitions and awards.

6) Job Boards

Many freelance gigs are in fact advertised, and though you will be competing against other freelancers, this can still be an effective avenue to finding work. Some ideas:

- Keep an eye on online job boards.
- Check out *Craigslist* - <http://craigslist.org> for your city.
- Keep an eye on offline job boards.
- Pin up a little advert on boards in your local area or community.

7) Cold calling potential clients

Contacting out of the blue does not offer the success rates you might get from other strategies, however if you look at every rejection as an increment towards making a sale, then it can be a lucrative way to find clients. Some ideas:

- Find out how you could improve a potential clients' business and profits and cold call them with your pitch.
- Mail promotional postcards to potential clients.

- Mail fun promotional items to potential clients (calendars, toys, posters).

8) **Get Found**

By being listed in search engines and directories, your leads will come to you even when you aren't working on your marketing. Some ideas:

- Search-optimize your website and get *Google* traffic.
- Have a follow up conversation with all potential leads.
- Make sure you're listed in the *Yellow Pages* and *White Pages* business section.

9) **Get in bed with local business**

Other local businesses are a rich source of work for many freelancers and are a great place to find and establish contacts. Often times they are particularly amenable to networking as well. Some ideas:

- Contact your local internet service provider or printing house and offer them a commission if they refer work.
- Establish contacts in larger agencies that can refer their run-off work.
- Keep in touch with freelancers that will offer clients a complementary service to yours and throw each other work.
- Create a local business directory and use it to get to know other business owners who might later need your services
- Cross promote with other businesses.
- Ask if you can put your business cards or brochure in local stores.

- Rent office space shared with other businesses or freelancers.

10) Industry Specific Ideas

And here are some ideas that are tailored to particular industries:

Photographers

- Enter your work into a gallery or run an exhibition.
- Submit some work to stock agencies to attract attention.
- Do a personal project so you have a reason to show your portfolio to old contacts.
- Send in your photography work to industry magazines to make a name for yourself.
- Start an online photo journal.
- Photograph an event or series and pitch it to a newspaper or magazine.

Programmers and Developers

- Write a small web application like *Ta-Da List* - <http://tadalist.com> or *Jobpile* - <http://artypapers.com/jobpile>.
- Answer technical questions on forums and use a signature that says you offer freelance coding services.
- Enter a programming contest like *RailsDay*.
- Contribute to open source efforts.

Illustrators and Animators

- Start a comic strip blog.
- Do stock illustrations for a site like *iStockPhoto* - <http://istockphoto.com> and link to a portfolio site offering custom illustrations.
- Write to popular blogs and offer to do a cartoon strip.

Writers, Bloggers, and Journalists

- Submit articles to article banks for sale.
- Write opinionated, witty pieces and get them publicised on *Digg* - <http://digg.com> with a blurb at the bottom about your services.
- Pitch article ideas to editors, online and off.
- Contact popular blogs and offer to guest post.
- Write a book and publish it with *Lulu* - <http://lulu.com>.

Designers

- Submit work to design compilation books and magazines.
- Design a great website and submit it to design galleries.
- Build a great portfolio and submit it to design portals.
- Start a magazine, design portal or blog.

General Tips

Marketing your business is a practice that will become second nature over time. Here are a few extra tips for marketing:

Follow Up

Often after all the hard work of promoting and marketing we don't take that final step to close and land a new job. Following up on leads dramatically increases your chances of success as clients are looking to be taken care of. By showing initiative not only do you remind them that your services, but you also show that their project is important to them.

Be Persistent and Don't Take Rejection Too Personally

There will likely be as many rejections or more than successes in your marketing campaigns, and so it is important not to take them to heart. A useful trick to learn is to think of every rejection as a step towards a successful close. So for example if you find that one in every five leads pans out to a job, consider each rejection as getting 1/5 of a job, bringing you closer to that next project.

Get Past the Fear

Although it's much easier said than done, it is possible to get past the fear of putting yourself out there. The best way to do so is to practice. The more times you pitch your work, get out there to meet new people, call potential leads and market yourself, the easier it will get.

11

Expansion

For many people, freelancing is an end in itself and you could easily spend your entire working life as a professional freelancer. But for some freelancing will be a stepping stone to growing a larger business. Whether you choose to hire more freelancers and staff, partner with other freelancers or branch out entirely, in this chapter we'll discuss what it takes to expand your business.

Subcontracting

When someone hires you to do freelance work, they are contracting you. If you then hire someone else to do some of that work, you are subcontracting. At some point almost every freelancer gets into one of two situations that easily lead to subcontracting:

- 1. You get more work than you can handle**

No matter how skilled and efficient you are, one person can only do so much work. So what do you do when there are more projects than hours in the day? One option is to turn jobs away, but another is to subcontract to another freelancer with your same speciality.

- 2. You win a project that includes work you don't know how to do, or don't want to do**

Many clients will have jobs that are multi-dimensional. For example a web designer might have a client who needs both a website and written copy to populate it, or a photographer might have a client who needs both photos and graphic design work. In this instances one option is to tell the client that you will handle the whole job and then subcontract out to a freelancer with a different speciality.

The obvious question is whether it is worthwhile to subcontract projects. Here are some of the pros and cons of subcontracting:

Benefits of Subcontracting

Here are the three major benefits of subcontracting:

- 1. More income**

The immediate benefit of subcontracting is the potential for more income. One person can only do so much work, but if you have one or more other freelancers working on a project, you can earn a commission on their hourly fees. If all goes well you can invoice for a higher sum each month.

2. Client doesn't go elsewhere

If you don't have a strong client list, turning away a client can be risky when you need every contact you can get. Even if you do have a strong client list, you may not wish to turn a client away if they are someone you'd really like to do work for (perhaps they have an exciting project, or perhaps they have a large budget). In this instance subcontracting means you don't need to say 'no' to them.

3. Stepping stone to growing a business

Another good reason to subcontract is that it is a good way to expand your business. Since the other method of taking on more work involves hiring a permanent staff member, this is a *much* less risky way to grow as you don't need to commit to a long term salary.

ROCK* QUOTE

Outsourcing isn't for everybody. Some people just don't like outsourcing, for a variety of reasons; they like to do the work themselves, find the management of contract staff too difficult, or have been put off by one or two bad experiences.

Then there are others who swear by outsourcing and view it as the path to significant profit and growth. I'm one of those guys, but there are a few hurdles to overcome on the road to success.

No one makes a fortune working for themselves -- it's always about leveraging what you have or what you offer in the most effective way.

Brendon Sinclair
Outsourcing for Great Profits
Sitepoint.com



Drawbacks of Subcontracting

Here are four of the main drawbacks of subcontracting:

1. A lot of extra work

Although it may sound easy to subcontract work, the reality can sometimes be very different. There are inevitably extra meetings, dramas, administration and extra work that land in your lap. For instance a web designer who contracts out a writer to put together some copy may find they need to facilitate the meetings between the client and writer, liaise through email, pay the writer's invoice, or provide extra quotes.

One way to counter this is to charge a project management fee for taking on these larger projects.

2. You are responsible for someone else

It's easy to be responsible for yourself, after all you know the hours you keep, the workload and capacity you have and when things go wrong, you can always pull all-nighters to make up for it.

Being responsible for a subcontractor can be risky. What happens if the subcontractor is late with their work? What if it is of poor quality? What if the client hates it? As the client's contact, you have to front whatever service or product your subcontractor produces. This means that you are laying your reputation on the line and taking a monetary risk as you may find yourself paying for a second subcontractor to redo work that wasn't good enough.

To minimize these problems you should only ever subcontract to freelancers that you know and trust. This minimizes the risk of them not delivering in some way. Additionally, always charge a premium to cover yourself in the event that the job goes badly and extra revisions are needed or work needs to be fixed by some new.

3. Cash flow problems

As you will know by now, many clients will take their time paying you, and though you can take measures against this (as we discussed in *Chapter 9 - Getting Paid*), the reality is you need to factor in that payment for a job won't come in until some time after completion. On the other hand you will have subcontractors to pay who you might need to pay promptly. This might be because you know them personally, you know they need payment, or they might have given you short payment terms and as a fellow freelancer you feel you have to respect them.

Whatever the reason is, paying subcontractors *before* you have been paid yourself can lead to big cash flow problems if you aren't prepared or the subcontractor's fee is large.

To counteract this risk you should ask for a deposit or milestone payment from the client with which you can pay your subcontractor. Alternately you can simply make sure you have a lot of cash in the bank to cover the shortfall.

4. You may lose the client anyway

While you may have decided to subcontract a job out in order not to lose a client, you may wind up losing them anyway. This is particularly the case when you are too busy to do the job yourself and hire another freelancer of the same speciality to do the job. Many freelancers will have professional ethics that prevent them from stealing another's clients, but even in that instance, the client may simply decide to cut out the middle man and go straight to the source of their work, thereby undoing the whole point of subcontracting.

To prevent this from happening, you should whenever possible ask your subcontractor to act as another member of your own business. This means giving them a special email address so they can communicate directly and asking them to behave appropriately in meetings and phone calls (i.e. not

start handing out their own business cards). It may also mean not letting your client and subcontractor ever deal directly with each other, though this can create a lot of extra project management time for you.

Quoting and Estimating

When you have subcontractors involved in a job your quoting or estimating process will be a lot trickier than when it is just you. In this case you need to ensure two things happen:

1. Make sure the subcontractor is briefed FULLY

It is often the case that your subcontractor will not attend the client briefing with you. This is because in many cases you may not realise you will need a subcontractor until you are being briefed, or you may only decide you are too busy for the job after you have been briefed, or for a multitude of other reasons.

Whatever the case may be, it is YOUR job to make sure the subcontractor is briefed fully and understands the job. If the client tells you something important and you forget to tell your subcontractor who then underquotes, you will eventually find yourself holding the shortfall in your own pocket. Remember you are responsible for the subcontractor. As far as the client is concerned when they brief you, they are briefing whoever you give the work to as well.

2. Make sure you get their quote before you give the client yours

In some cases you may be tempted to give a price for work you are going to subcontract out, thinking you know how much it will cost. This happens particularly when you are subcontracting out to a freelancer who does the same type of work as yourself. This is *never* a good idea as freelancers can charge very differently to one another. Always find out what it's going to cost you before you tell the client what it's going

to cost them. The same principle applies for timelines. Be sure to agree on the timeline with your subcontractor before committing to one with your client.

Managing Subcontractors

Managing freelancers boils down to one thing: **communication**.

If you have a subcontractor on the job you should be in constant and clear communication with them. This is not to say that you should be calling them all the time, but rather that you have an open line of communication to check on the project, how it's developing and that it is running on schedule.

When working with subcontractors it is important to add buffers to their commitments. This is particularly true for timelines and schedules. For instance, if your subcontractor tells you that a milestone will be completed by Monday, you should tell your client it will be ready at least a few days later. If your subcontractor really does deliver on Monday then you can make a good impression with your client, and if they don't then you can work closely with them to make sure they hit the real deadline. You are responsible for your subcontractor, so have a plan of action if things don't run to schedule or go badly.

Disagreements

From time to time you may experience disagreements with your subcontractor about the quality of their work, what direction they are taking or how they are working. Remember at all times that to them, *you* are the client. This means that you should be able to ask for the same service that you provide your own clients. Additionally since it is your reputation that is on the line, you may stress that work should be done in the way you see best. Having said this, remember also that you should try to treat freelancers as you would want to be treated, and that is to respect their opinions in the areas they know best.

In fact subcontracting work can provide some very good lessons for you in how to freelance as you find yourself sitting on the other side of the fence in the freelance-client relationship. This in itself is a good reason to try subcontracting out a job at least once.

Partnerships

A less stressful alternative to subcontracting is to partner with other freelancers. There are a variety of different arrangements that fall under the term 'partnership':

1. Loose association

The simplest form of partnership is to have a network of other freelancers who you know and have worked with. When a client with a big job comes along you can ask one of these freelancers to attend the pitch and briefings with you. You put in quotes for your parts of the project separately and though you aren't strictly partners, you will work effectively together on projects.

Every freelancer should try to maintain this sort of association with other freelancers as it can lead to more work for you, and help you take on larger and more diverse clients.

2. Mutual understanding

A more formal type of partnership is to get together with one or more freelancers and come to an understanding on how you will work together. This might mean that you share contacts, submit quotes together and generally help each other out. You might even use a trading name to work under without necessarily registering yourselves as a business together.

3. **Formal partnership**

At this level you will in fact be establishing a business together with another freelancer. Once you do this, you are technically no longer a freelancer, and you should only enter into such a partnership once you have a full understanding of the legal implications of doing so. Entering into business with someone can be complex as you need to work out how revenues are split, who owns what, and what happens if one partner is working more than the other.

As a partner you will have a greater capacity for work, an ability to take on jobs you might not be able to otherwise, and importantly you will not be alone in your work. You may also gain access to new contacts you didn't have previously and learn new skills and methods of work from your partner.

When choosing a partner, look for:

1. **Reliability and trustworthiness**

To protect your reputation and so that you can sleep better at night, you should only ever partner up with someone you know you can rely on. There is nothing worse than being let down by your own team.

2. **Complementary strengths and weaknesses**

Although it can be good to have more of the same in your partnership, it is even better if you can compliment each others strengths and weaknesses. This happens naturally in partnerships where each partner has a different profession – e.g. a web designer and graphic designer – but even where the partnership is between two freelancers of the same profession you can still find complimentary strengths and resources. For instance, you might have two web designers, one whose strength lies in the design process and one whose strength is in coding. Or you might have two programmers, one whose strength is client liaison and one whose strength is in project management.

Hiring Staff

If you want to expand quickly, you may decide to hire one or more employees to augment your capabilities. This is a big step because you will be permanently responsible for another person whether the work comes in or not.

Hiring staff and building a business are complex subjects that are beyond the scope of this chapter, however here are a few pieces of advice from our own experience of hiring staff to build a freelance business.

Systems of Work

Businesses work when there are set systems in place for any desired outcome. Whether it's how you manage your contacts, files and assets or simply how you track your time, you need to have a set way to take any action. When it's just you in your business you can be a little haphazard about things, but when there are multiple people, your systems need to be formalized.

Before you hire, sit down and work out how everything is going to work together. Think about things like who will be responsible for what, how you are accountable, how things will work, and where information is stored. Then document it so that when you have your first employee you can ensure that you are both on the same page.

Corporate Culture

Every business has a culture. A corporate culture is a pervasive atmosphere and attitude. The service you provide, attitudes to work and clients, stress levels can all be affected by corporate culture. A business' corporate culture is passed on and shared between all employees of a business. Moreover it is created early and is hard to change. With this in mind, you should set a positive culture in your business with your very first employee.

Think about what kind of business you want to build, what ideals and values your business will have and how you can encourage your employees share your vision.

Employer - Employee Relationships

When you have staff it is important that there is a level of authority and separation between you and your employees. This is not to say that you have to be completely removed or isolated, but rather that you shouldn't undermine your own authority by becoming too much of a buddy to the people you have give direction and criticism to.

You can achieve this by maintaining some level of discipline, having clear boundaries of what is acceptable and what is not and enforcing them. If your employee is often late, not doing their work, not providing the right level of service, arguing with you or performing poorly in some capacity, it is your job to make it clear what is expected from them. This can be difficult, particularly if you are not an assertive person, but it will get easier with time and practice. Failing to act quickly undermines your authority and is debilitating for any business.

Remember that while being lax or letting things slide with your employees might seem easier, often small problems will only get bigger if not kept in check.

Extra Management Time

It is easy to make the mistake of thinking that two people will have double the output of one freelancer. Unfortunately if you decide to hire someone you will find there is a whole new class of work generated that did not exist previously.

Where before work was simply what the client gave you, now you will need to manage projects too. This might be checking up on your employees, briefing them, relaying client changes, and administering their pay checks and taxes. Someone has to pay for all this extra work, and it will need to be accounted for in your client bills and planning.

Additionally as you expand your team, this management work will grow to become an entire job in itself. Thus many freelancers who decide to grow their businesses find themselves increasingly disconnected with the day-day client work they used to do.

Administration, Legal, and Accounting Responsibilities

There are a range of extra responsibilities that hiring entails. Depending on where you are in the world these might include:

1. Payroll

How and when you pay your employees and how it is recorded in your accounting systems.

2. Retirement or superannuation funds

In many countries you will need to make payments to a retirement fund of some sort for your employees. You may even need to open an account for them.

3. Taxes

You will need to withhold money for your employees' taxes which will have to be paid to the government annually or in instalments. This means planning ahead and not spending money that needs to be paid out later.

4. Insurance and workers compensation

Often you will need to insure your business against injury and damages to your employees.

5. Contracts

When hiring you should always use some sort of contract that specifies duties, pay, entitlements and terms of employment.

6. Holiday pay and sick leave

Employees need to be paid not just when they are work, but also for annual leave and sick days. Depending on what country you are in there will be legal requirements for what employees are entitled to.

It is important to know exactly what is required *before* you hire your first employee. Planning ahead for all the extra costs and responsibilities is essential for a smooth transition from one-person business to multi-employee company.

Building a Business

As a freelancer, your business is all about one person – you. Your business depends on your skill set, your personality and your name. If you go on a holiday, get sick or decide to quit, your business ceases to function.

If you want to build a larger business, you need to work on disentangling yourself from your business. You might still work there, but it is important to work towards a point where you could easily be replaced by someone else. Until you have accomplished this, you are essentially a freelancer on steroids.

Hiring more staff is one part of building a business like this, but there is much more to it. You must work towards having systems in the business, assigned roles and tasks for people working in your team and a management role which doesn't depend on you being the manager.

A very good book to read on this subject is *The E-Myth* by Michael E. Gerber. It is a great guide to growing a small business, how you need to think, and what steps you need to take. Details of the *E-Myth* and other good business books are included in the Further Reading section of this chapter.

Freelancing as a Springboard

One of the great advantages of freelancing is that it gives you the flexibility of income and lifestyle to start another business. This is how we started the company that we now work for – *Eden Creative Communities* – <http://eden.cc>. There are many other examples of companies that have grown this way, such as 37Signals, who make web application software that many freelancers use.

Starting a company can take a lot of capital, investment and risk, much more so than becoming a freelancer. You can counter this though by using a freelancing income to work on the business you are building. This is particularly attractive to those freelancers working in web industries who might even have the skills to build the assets they need themselves.

In our case we teamed up with another freelancer and together build a website called *FlashDen* - <http://FlashDen.net>. We hired a developer using savings we had from freelancing, and then continued taking client work for a year after starting the business so that we didn't need to draw salaries from our fledgling business. When *FlashDen* and the other sites that make up the Eden network eventually started paying their own way we slowly closed down our freelancing businesses and concentrated solely on Eden work. If *FlashDen* had failed we would have always had the fall back of freelancing and the knowledge that we hadn't gone into debt in the venture because we had been working the whole time.

The drawback to this of course is the massive amount of work and stress that it takes. Although it is easy for us to look back now and explain what we did easily, at the time it meant working up to three months at a time without a day off, constantly balancing client work and our own work and trying to get by with as little money as possible.

Nonetheless if you have a good business plan and are committed to it, then using freelancing as a springboard to launch a larger business can be very rewarding.

Further Reading

Expanding out of freelancing is well beyond the scope of this book and you should lean more before jumping into an expansion plan. If you do decide to use freelancing as an opportunity to build a larger business you may wish to read some of these books which we found very helpful:

The E-Myth Revisited: Why Most Small Businesses Don't Work and What to Do About It

By Michael E. Gerber

The Art of the Start: The Time-Tested, Battle-Hardened Guide for Anyone Starting Anything

By Guy Kawasaki

The Ten-Day MBA: A Step-By-Step Guide To Mastering The Skills Taught In America's Top Business Schools

By Steven A. Silbiger

The 4-Hour Workweek: Escape 9-5, Live Anywhere, and Join the New Rich

By Timothy Ferriss

Conclusion

Freelancing is amongst the most rewarding things we have ever done. In our own lives, freelancing has helped us express creativity, make valuable connections, and has vastly improved our skillset. It even funded the internet startup where we work today.

For some of you reading this page you'll be about to begin your freelance career, for others you'll already be well on your way. Wherever you are in your path, remember that like anything in life freelancing has its ups and downs. Stay confident in your abilities, and stay sharp by continually improving, innovating and thinking about your service and business.

And most of all, have fun! You are your own boss now, so make sure you treat your employee well!

Collis & Cyan Ta'eed