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 glamourous, 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.

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

- **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.

- **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

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

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.

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.

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

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.

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://basecamphq.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 per hour x 40 hours a week = $1600 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 hours = $75 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

good.

Attention:
(Client name)
(Company Name)

Project:
(Project name/description)

Consultant:
(My name)
(My email)
(My mobile/cell number)

Good Creative:
(My office number)

Our address

Our website address

Our ABN (business number)

Item	Hours	Cost
First project element The steps we'll take The steps we'll take The steps we'll take	x	$
Second project element The steps we'll take The steps we'll take The steps we'll take	x	$
Third project element The steps we'll take The steps we'll take The steps we'll take	x	$
SubTotal	x	$
GST		$
Total		$

Page 1 of 3

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 down turn 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 then 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,
- The 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 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 gage 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