

BUILDING A FREELANCE PRACTICE

A list that reflects my own peculiar experience¹

B. Heinzen, 11 January 1994

The number one general rule is:

know your market; know yourself

But here are a few (!?) specifics:

PREPARATION

Thinking

1. Identify what you enjoy and what the market will buy. *Who needs your service and who can pay for it? Beware of identifying a need that does not have a market -- e.g. penniless writers need good editors but can't afford to pay them.*
2. Think about the changes in the publishing industry. How can you offer a service the industry needs now (but possibly had not needed in the past) and will continue to need for some time? *Use your own dissatisfaction as a source of new ideas.*
3. Decide whether you want to innovate or follow the leaders. Innovation is much harder and slower, but can be more rewarding. Beware of being ahead of your time, since the practice will develop more slowly if you are. Equally, beware of living in the past, since your practice will vanish if it is not consistent with current change.
4. Sound out the experience of others -- those who have already set up in practice and those who might be clients. *What are the norms/standards? Can you improve on them, for yourself and/or in the industry generally?*
5. Identify your competitors. Find out how they cope and what they charge and how they look for work. *Be alert to hidden subsidies (pensions, parents, spouses...)*
6. Have a business confidant who can help you think things through, someone to talk to regularly, to sound out ideas, have a good moan and keep up your spirits.

Money

7. Before striking out, build up a financial and professional stockpile: e.g. savings equal to six months of real costs and 5-6 (2-3?) firm

¹ This note was written to a friend working as an editor in a prestigious New York publishing house. She was considering leaving the company and working as a freelance editor on her own. This note therefore reflects her work in publishing as well as my experience working freelance in scenario planning.

clients. Remember that this stockpile is as perishable as peaches and must be renewed as soon as you start working on your own.

8. Estimate ALL costs and running expenses. Be sure to include:
 - a. **capital costs** (fax, computer, answering machine, photocopier? etc.);
 - b. **running costs** (phone, travel, stationery, rent, cleaning, secretary? etc.);
 - c. **pension contribution** for each year/month;
 - d. **health care costs/insurance**;
 - e. **estimated taxes**, city, state & Federal;
 - f. **'salary'** - i.e. the money you want to live on, use for vacations, buy a country house, etc.
9. In setting fees consider the following:
 - a. your total estimated costs;
 - b. the likely percentage of the year (number of days out of 365), you can consider chargeable time. I set my fee on the basis that 50% of my time is chargeable. I am told that is too high and that 33% is more realistic;
 - c. the market rate (what are clients willing to pay at the top, at the bottom?);
 - d. how to set fees: charging a rate fixed by the job versus a rate for each hour worked. Fixed rate runs the risk of undercharging yourself; hourly rate runs the risk of overcharging your client. Consider taking a novel approach - e.g. commission?

Building a Practice/Marketing

10. Steal your Rolodex - contacts, contacts, contacts.
11. You will be building a practice based on long term relationships, like a lawyer or a surgeon. Identify the existing strong relationships you have with people in publishing and begin building on them now. Identify future strong relationships. *Bear in mind generational changes.* Have lunch or a drink with as many good people as possible and use them to help develop your thinking.
12. Accept that marketing is part of the job and will never go away. Find a way to do it gracefully without making yourself retch.
13. Once you have decided to go ahead, print business cards and scatter them like confetti. Hope that some blow back your way.

WORKING AT THE PRACTICE

Managing Your Time

14. Identify your most productive times of the day and of the week. Protect those hours from distraction.
15. Set a daily and a weekly 'ideal' schedule. Stick to it as much as possible. (*Larissa's rule applies here.*)
16. Make sure to have regular, **predictable** time off. Guard it as much as possible. The real danger is often one of overworking, not underworking.
17. Set realistic goals for the working day, even when there is no commissioned work. Once they are met, allow yourself to relax. Include as often as you can 1-2 marketing chores, even when there is work. *A practice needs nursing.*

Money

18. Try to estimate the time for a job as accurately as you can. You will always get it wrong, usually underestimating by 25-50%. *Every job takes longer than you think it will.*
19. Every day, note the hours spent on each job. Otherwise, you will forget what you have done.
20. Keep a record of the total hours spent on each completed job so you can learn to estimate time more accurately.
21. Invoice on a monthly basis. If not paid in a month, invoice again. Don't let invoices go unpaid. Persist.
22. Save 50-60% of every invoice for tax, pension and stockpile. Talk to Clare about managing the estimated taxes, etc.
23. Mind the books. Keep on top of the cash flow. Arrange an overdraft facility (Checking Plus?), but don't use it. Use your 50-60% savings instead.
24. Review your fees regularly. Raise them as possible to
 - a. keep up with inflation,
 - b. reflect your increased experience and skill.
25. Get a good accountant.

Building a Practice/Marketing

26. Remember that contact to contract can take a very long time, in my case it has been 1-2 years, but it may be shorter in publishing. Don't lose heart; this is normal.

27. Remember that nearly every contact will fail to produce anything directly. Accept all invitations to increase the odds in your favour.
28. Never stop marketing. But do it in a way you can abide. Occasionally make a big push and 'work the Rolodex'. *Getting work takes more time than doing work.*
29. Beware of the "Third Year Wall". In your first two years you can do business with friends; in the third year you must sell to the stranger. Most new businesses go broke in the third year.
30. Clients don't last. "Every consultant in Shell has a shelf life; you are past your sell-by date." This makes sense from the point of view of the client who wants to bring in new ideas, but is bad news for those of us trying to establish long term relationships with clients.
31. Keep yourself visible. Join everything and attend useful gatherings of interest. Try to get as much public recognition as possible. Good work should lead to a good reputation which should lead to more good work. But this will only happen very slowly.
32. In the early days (and later if time is available) do pro bono work if it
 - a. keeps your hand in;
 - b. leads to paid business;
 - c. increases your reputation;
 - d. would not otherwise be done, and
 - e. is intrinsically interesting,

BUT limit pro bono work since it can 'devour' your time and destroy your income.
33. Beware of your own subsidies. For those of us who do not like marketing and have a modest (but inadequate) private income, the temptation is to do no marketing at all. Don't give in to temptation.
34. Continue scattering your business cards like confetti.

Relations with Clients

35. Respond to all clients and potential clients immediately. It establishes a professional confidence.
36. Work out initial objectives and deadlines in consultation with your clients, so they agree the nature of the work. Put this agreement in writing in a confirming letter, so that a record is established of what was agreed. This not only helps avoid disputes, but is a record for those of us with weak memories.
37. Set your clients and yourself realistic deadlines and keep to them. If you cannot meet them, alert your client early and work out a solution together. The same rule applies to your fees: alert your client early (or swallow the loss) when you need to agree more time/money.



Thinking about the Business

38. Keep up with the industry and notice trends as you may need to adapt to them. Subscribe to trade magazines and follow the gossip.
39. Be realistic. Keep tabs on whether this will succeed and watch for relevant and better options. This may only be a transitional strategy.
40. Talk to your confidant regularly to review the position. Once a week/month?
41. Women start more new businesses than men. We are, these days, the risk takers. There may be professional women's groups of value.

Managing Your Own Psychology

42. Treat yourself as a serious professional.
43. Only work with people you like, if you can manage it. Build a practice that reflects your pleasures and interests so that the work is not burdensome, but stimulating and enjoyable. Enjoy the freedom to set your own times and terms.
44. Don't panic and don't lose heart for long. Bounce back. Persist.
45. Learn to manage your own moods so they don't defeat you.

