



Freelance BUSINESS BOOTCAMP

How to Launch, Earn, and Grow
into a Well-Paid Freelancer



By Carol Tice & Neil Tortorella

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Why did we write this book?

In my Freelance Writers Den community for freelance writers, I repeatedly saw both newbie and veteran freelancers build their businesses by trial and error, expose themselves to financial risk, and waste time struggling to run a profitable solopreneur enterprise.

So I got together with Neil Tortorella, author of the *Freelance Writer's Business Book* and *Starting Your Career As A Freelance Web Designer*. We put on a 4-week course for Den members on how to launch and run a successful freelance business. This e-book captures all the training sessions from our Freelance Business Bootcamp, and takes you step-by-step through setting up and running a thriving freelance writing business designed to earn well from the start.

Our Den members asked a lot of great questions during each session, so we've included their questions and our answers, as well.

I hope *The Freelance Business Bootcamp e-book* helps you realize more income from your writing. – Carol Tice

Legal disclaimer

In this book, Carol and Neil speak from their own long experience and extensive research about legal and tax matters. But we are not lawyers or accountants, and rules may vary depending on where you set up your business. Do not rely on our advice in these areas as definitive, and please consult a professional if you have any doubts or questions.

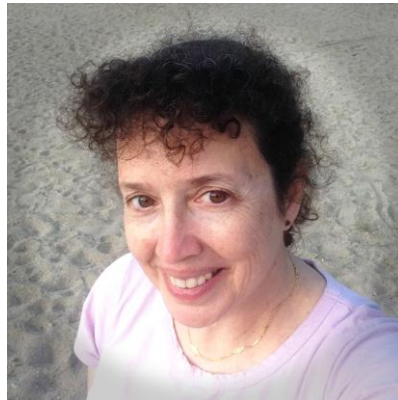
About the Authors

Neil Tortorella



I'm a veteran writer, graphic designer, speaker, trainer, and marketing consultant. I've presented on business topics for SCORE, IndieConf, HOW Design Conference, and many others. My latest book, *The Freelancer Writer's Business Book*, covers the business of freelancing — from launching your business to planning for retirement, and everything in between.

Carol Tice



I'm a nonfiction book author, and writer of the award-winning [Make a Living Writing](#) blog (recently named a [Top 10 Blogs for Writers](#) winner for the third time). I founded [Freelance Writers Den](#), the community where writers learn how to grow their freelance income — fast.

I've been a full-time freelance writer since 2005. For 12 years before that, I was a staff writer, and I freelanced for several years at the beginning of my career, too.

My mission is to do all I can to help freelance writers discover how to earn more from their writing.



Prologue: The Top 10 Ways Writers Get Screwed

CAROL: When Neil and I were creating the content for this e-book, we got on a talking jag about top ways writers get screwed over, ripped off, and fall for scams. Before we knew it, we had a list we decided would work best in the style of *The David Letterman Show*: a “Top-10-in-reverse.”

So, here are our top 10 ways – and how to avoid those pitfalls and stop losing money – to help you earn a good living as a freelance writer.

We’ll also share data from our early-2014 survey. We asked over 200 freelance writers what they knew about running a successful freelance business. We’ll sprinkle some of that data in as we go, and give you more of the results at the end of our top 10.

Here are our **Top 10 Ways Writers Get Screwed**.

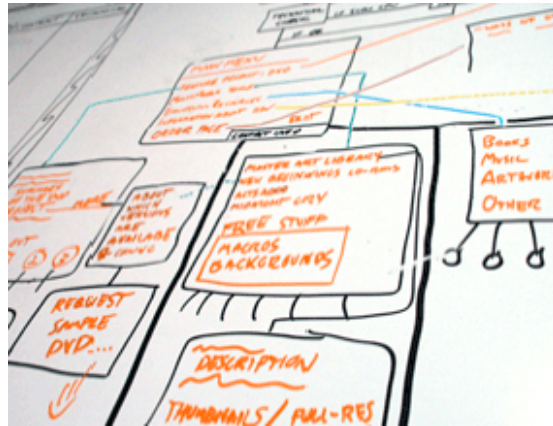
10. Poor Client and Project Management

NEIL: A writer might be gifted with powerful prose, or a good rainmaker who closes all kinds of deals. Those are valuable traits.

But if the writer has a difficult time managing projects and clients, it's going to get tough, because juggling too much stuff without a methodology in place can make a writer’s stomach churn. Anxiety sets in, and errors happen. Clients complain, and then you're working into the wee hours, on weekends, or both.

Project management policies and a solid workflow system are important for keeping clients happy. As we all know, the bottom line is, happy clients tend to pay invoices

quickly and without whining. (The policies and workflow system might save money on antacids, too.)



Your goal is to manage multiple clients and projects easily, in a way that works specifically for you. A system that works for somebody else might not be right for you.

As a matter of fact, our survey showed that only 10-percent of our respondents felt highly confident to juggle multiple projects. So, it's a real sore point for a lot of people.

CAROL: Many respondents who were growing their freelance businesses and trying to get fully booked had little confidence they could fulfill different clients' deadlines. Fail to meet a deadline and the client will never use you again, or recommend you. In fact, you may not even get paid for that project. It causes a lot of problems.

9. You Don't Know Your Costs

NEIL: This is a problem for a lot of freelancers, and for a lot of service businesses, in general. Freelancers tend to think writing is a no-cost startup, just because it's a service.

Nothing could be further from the truth. Like everything else, it costs money to make money, and you need to know your costs. Pulling numbers out of the air, guesstimating (or worse), figuring out what your competition's charging – these aren't good business strategies. And they won't tell you what your overhead costs will be.

Your hourly rate should take into consideration your target salary (generally called a “draw” for a sole-proprietorship), your overhead, and your profit margin.

Without taking those three factors into consideration for your specific circumstances, you're just guessing.

The thing is, every business has something called overhead. That includes writing. A monitor goes belly up, the hard drive dies – and all kinds of things like utilities and vehicle costs have to be paid. Without knowing those costs, you can't correctly determine your target hourly rate. You'll never really know if you're making money, or not.



So, do the math to determine what your rate should be. Whether you charge by the hour, or estimate and bill by the project, you need to know your costs so you can make a profit and keep your business afloat.

CAROL: I hear a lot of new writers make comments like this: “I have a computer already, so I don't have any costs in my business.” But there are two big costs you never saw as a full-time employee. The first is your employment taxes. As an employee, you paid only half — your employer paid the other half. You never saw that money, you never had to set it aside. Now you pay all of it. You have to set it aside and remit it on a quarterly basis.

The other big cost is healthcare, if you're in the U.S. or in any other country without free national healthcare.

When writers tell me, “I'm making \$15 an hour writing for this article platform, and I think it's really great,” I guarantee you they haven't done the math to figure out their costs.

8. Don't Plan Your Business or Set Achievable Goals

NEIL: Our survey showed that 80-percent of our respondents had no business plan. That's a scary figure.

Your business plan doesn't have to be anything to rival *War and Peace*. Make it a couple of pages. It'll help eliminate risks involved in starting and operating your business. It will allow your business to take a definite course, instead of just letting it happen. It'll keep you from working for peanuts for content mills, or from working with lousy clients who have no budgets.

I believe in a written plan. It's funny that I always have to tell this to writers. You may have noticed that a bit of magic happens when you put something in writing. Things actually start to get done. You're held accountable by that piece of paper – and that's important.

Fuzzy goals mean you can't tell if you're making progress, or falling behind.

The trick with business goals is, they should be achievable and realistic. People have told me their freelance business goal was to make \$1 million next month. That's probably not going to happen. But if your goal is to increase your marketing efforts by 20-percent, that's a concrete, achievable goal that can pull in new clients and maybe make more money for you this month over last month.

The other thing to do with your big, lofty goals is, chop them down into smaller, easier-to-reach goals. When reaching the smaller ones, you're encouraged to move forward.

Also, focus on goals you can control, things within your power -- not things that depend on the economy going the right way, the government changing a policy, or clients appearing.

CAROL: We don't want you to write in your business plan, "I will get three new clients this month." That's not within your control. But "I will send 10 query letters this month" – that you can do. Setting achievable marketing goals will lead to fulfilling that bigger goal of getting more clients.

Today, we have this world of online platforms where you can get paid to write for a few pennies, or \$5. Many writers without goals and a business plan will end up in those places. You're in a passive mode when you look through Craigslist ads, taking what the world pushes at you, instead of proactively going after specific types of clients.

You'll be a lot more successful if you say, "I want to be a technical writer who specializes in healthcare software copywriting." Then, mine those prospects. Identify those companies. Without goals, it's so easy to fall into the low-pay trap that takes you nowhere.

Many writers I've coached have told me, "I've written for content mills for five years. I'm totally broke, and I have no clips because it was all ghostwritten and I don't even know who it was for. And now I'm starting from scratch and still at a subsistence level." That's just heartbreaking to hear that.

So, you need to plan. Ask yourself: "Where do I see this business 12 months from now, five years from now? Where do I steer this ship?" If you don't ask yourself these questions, no one will ask them for you.

7. You Don't Understand Your Rights

Many writers don't know their rights when drawing up a contract. And yes, you, Miss, Mrs., and Mr. Writer, need a contract, for reasons we'll get into in more detail shortly.

If you don't understand contracts and you tend to just sign them and move on, you may realize later you could have kept some rights and made more selling and reselling that article to other clients. Usage rights are like a pie you can slice up.



I'd like to tell you a little story about something that recently happened to me. It perfectly spotlights why you want to read contracts closely and know about all your rights. I'm a paid contributor to [the Forbes blog](#). I got an inquiry from a prospective client, read the fine print in my contract, and discovered a fun thing: I can syndicate my Forbes content and charge others for it, as long as I follow certain rules.

Here's what happened: The prospect, a franchise restaurant startup website based in the Middle East, asked about reprints for some of my Forbes' posts. I assumed Forbes kept all rights to posts I wrote for them – but I asked my editor. I was told there are two ways content gets sold off the Forbes' blog.

If the new client includes the Forbes' logo and says, "Previously appeared on Forbes," and exactly reprints the post, then they negotiate with Forbes. Since Forbes owns the right to anything that says "Forbes," there's no resale payday for me in that scenario.

But...if the new client can be sold on not doing that; and if the client passes the posts off as original content on their blog; and if they don't say, "Previously appeared on Forbes," then we contributors can syndicate our content and negotiate our own rates.

Once I learned this, I sold my Middle Eastern client on that idea, and a package of 20 old Forbes' posts on restaurant topics. I rewrote all 20 with fresh new headlines, so the client could promote them on social media – and they paid me \$600, or \$30 a post. Not bad for what amounted to an hour's work rewriting those headlines!

Moral of story: Because I took the time to research my contract, I got a nice chunk of resale money. The client told me they'd like to do this again in the future. This could become a nice little side income that adds to what I already earn writing for Forbes.

With many national magazines, it's a similar situation. *Entrepreneur*, I know, only buys first rights, and you can resell your article after 90 days. And, as that little Forbes reprint story shows, you'll want to hold onto these rights, if you can.

This is the kind of thing you want to bring up with a client as you look over a contract. You want to retain the ability to make more income off your work in the future, whenever you can.

Neil recently mentioned another great tip to me: Hold back a "transfer of rights" form that you only hand over when your client has paid you in full. I love that idea – setting up your contract so that they understand that rights do not adhere to them until they have paid you. It ensures you'll get that final payment, which often has a way of disappearing into the miasma with flaky clients.

NEIL: It's a great tactic. I've only had to use it a couple of times, but it worked out very well.

Another thing to look out for is work-for-hire agreements, which basically means you're working as an employee, and whoever you're working for owns all of your work.

CAROL: If you're writing a white paper for some company, work-for-hire is not a big deal. But if you're writing for any kind of publication, try to hang on to some rights, even if it's the rights for other countries. I know people who have resold articles to similar magazines in another country.

NEIL: Your mantra should be, "Write once, sell many times." The world's a smaller place now, and there are all kinds of resale, residual, and passive-income opportunities out there.

A quick story: I once wrote a white paper about hurricane preparedness for a law firm, I ghostwrote it, and it has the lawyer's name on it. But I maintained the rights and later sold it to an insurance guy for his use. So, I got paid twice for that one. There are always ways to make more money on your hard labor.

6. You're Afraid to Negotiate

CAROL: Fewer than half of the writers who responded to our survey considered a client's offer as a signal to begin the negotiation process. More than 20-percent said, "I'm never sure how to respond after I get the offer." And 20-percent said, "I usually just accept it without pushing back on anything," which just makes me cry. Because, in most contracts, there's *at least* one thing you should get them to strike out. Finally, about 23-percent of writers said they might ask for one small change, but that was their tolerance for rocking the boat. Then they stopped.

Most freelance writers don't do a lot of negotiating, and that's really a mistake, as you saw with that discussion of my Forbes resale rights. Know that everything is negotiable in a freelance contract.



Besides what I'll be paid, I've negotiated such things as a project's deadline, and when a book advance will be paid. When I saw the date the publisher wanted to pay it, I said, "You're kidding!" I got that advance a year sooner.

One slow paying-magazine paid on publication – six to eight months later! I negotiated, and they paid 50-percent on acceptance of my draft, and 50-percent on publication. So, that was half the money, six months earlier.

Ask for whatever you want: "I want to keep international rights." "I want to keep the right to publish it on my blog." "I need more money." "I want a different schedule of payment triggers." "I want three payments split instead of two." "I want an advance paid upfront."

Negotiating is not whining, it's not complaining, and it won't make clients leave – not good ones, anyway. The worst thing a prospect will say when you ask to alter a contract is, "No, I can't do that."

Professional freelancers push for whatever they think they deserve. It's normal, it's acceptable, and you really do owe it to yourself to read and understand contracts and get your best deal.

NEIL: Remember a couple of things when you negotiate contracts and terms. The first is, you'll be scared – scared of losing a project, of being seen as difficult to work with, or of being outsmarted by your client. That's normal. But, like many things in life, it gets easier with practice.

The second thing is, everything is negotiable. If you don't like something in a contract, pose an alternative. All you're doing is asking a question.

My first book contract was around eight pages long. I read through it a few times, had my attorney review it, and he came back with all sorts of revisions to negotiate – the number of books I received, promotional control, audio rights and, of course, the advance and royalties. I sent it off to my publisher, loaded with marks from the big red pen. In a few days, the publisher called and agreed to everything except two items that were out of his control.

5. You Never Ask for a Raise

CAROL: Writers forget to negotiate raises with ongoing clients. They get an initial rate. Time rolls on, and they never get up the gumption to say, “Hey, I should be getting more now.”

A writer emailed me recently that she'd been writing for one ongoing client for *12 years*. I'm not kidding! She wanted to know how to approach them about a raise now. I wanted to cry. I thought, “They're never going to give you a raise now. They know you're willing to go on forever at this rate.”

Don't let this happen. A lot of freelancers don't realize that your value to that client naturally increases. You've learned about their publication's readers, their business's customers, what that editor likes, just by writing for them. You intrinsically become worth more. Three months, six months, a year into that client, you're worth more than you were the day they hired you.

From the client's point of view, the time and trouble it would take to train a new person from scratch on all the stuff they've already gotten into your brain becomes increasingly more onerous – and your position to negotiate a raise becomes stronger. I like to create short initial contracts that expire in 60-90 days, creating a natural opportunity to negotiate a raise. But in any case, if it's been a year, you should certainly be thinking about asking for a raise.

For more on how to get a raise out of an existing client, see [Why You Should Raise Your Freelance Writing Rates Right Now](#)

4. You Work for the Wrong Clients

CAROL: Listen to this little story. “I was writing for someone through Freelancer.com, where I was supposedly guaranteed payment because it was an hourly rate. But the client's account got deleted because Freelancer.com couldn't authorize their payment method. Then they told me it was entirely up to me to chase down my payment.”

These are the wrong kinds of clients to go after: Any platform that controls whether your payment gets released to you; any blogging sites that have a set, low rate that will never be any higher; any that only pay you revenue-share pennies if you get a lot of ad clicks.

In mentoring thousands of writers over the past five years, I can tell you that only a tiny proportion of writers make a decent living with these types of clients. The vast majority who work for clients like these – what I like to call the Underworld of Freelance Writing – end up starving. I’m referring to the vast majority of people who write for mass-content platforms like [Demand Studios](#), [Guardian Liberty Voice](#), [Elance](#), or [Examiner](#). These sites can change their rules, their prices, their payouts, or close up shop on you – as Helium did at the end of 2014 – or disallow your account.

If you're thinking, “Contracts? Negotiate? All of my work comes from Elance or a content mill, and they dictate all the terms and pay. How would I ever negotiate a raise or do better?” I have some bad news – pay will always be low, and it will never get better. But it could get worse, as we've seen with so many sites that drop their rates with little notice.

You'll either be stuck with their rock-bottom, flat rate for articles, or you'll be in a race to the bottom on price, pitted against hundreds of other writers applying for the same gig. Or you're waiting, mostly in vain, for your post to get enough traffic to earn \$10.

My viewpoint – and really the whole reason I started my blog for freelance writers in 2008 – is that the majority of these platforms and situations are nothing short of writer exploitation. Lots of people don't like that I say that, but that's my honest take on it.

Passively tapping a platform's dashboard for whatever assignments they're willing to offer you is not the way to build a successful freelance business. Instead, become a proactive marketer, go out and identify and sell better-quality clients, or you're going to be on a low-pay treadmill forever.

3. You Don't Market Your Business

NEIL: If you're marketing small, you get caught up in the notorious feast-or-famine syndrome. Once there – where you have dry periods with no work – it can take an awfully long time to catch up financially.

Research I've seen says the sales curve for many creative service businesses is six to eight months, from first contact to contract-signing. That's a long time to wait for your next payday, so you don't want to ever get into that. You should always, and consistently, market your services. Always have an iron in the fire. Always do something.

And magazine editors can take forever to assign articles. Or if they pay on publication, maybe the editor has assigned the article, but it won't be published for a year.

Always promote yourself. Your mother may have said it's not nice to talk about yourself, but that's a bunch of baloney in our profession. As freelancers, we always have to talk about ourselves, at every opportunity, whenever and wherever possible.

2. Don't Require a Deposit

NEIL: This, of course, applies to those of you who are writing for corporate clients. If a client isn't willing to cough up some money upfront, it's usually pretty difficult to get it on the back end, when the project is done. It's a red flag that you're going to have troubles. That client is saying, "I don't trust you." Mutual trust is the basis of any writer-client relationship. Without it, there is no relationship.

Requiring a deposit is nothing to be ashamed of. It's smart business. It demonstrates to your client that you're a professional, and that you have payment policies in place. They'll probably respect you a whole lot more if you ask for some money upfront. And the thing is, if a new client balks at giving you 30-to-50 percent upfront, they're probably not a client you wanted, anyway. It can be a really good litmus test.

Good clients understand the process. They understand how freelancers work, and they'll go ahead and write you a check. That's what you want to look for.

1. You Work Without a Signed Contract

NEIL: I know so many freelancers who are guilty of this one. I know I was, when I was first starting out.

Without a crystal-clear agreement, you're leaving the door wide open for conflicts, delays in payment, delays in materials, escalating misunderstandings, no payments, and all kinds of other stuff that could end you up in court. As with getting money upfront, don't be afraid to ask for a signed contract upfront.

What typically happens is, you have a couple of meetings or phone calls with a prospect. Then they say, "Okay, yeah. Let's do this."

Then, in the excitement of getting started, you forget about the contract, or you just blow it off. You think, "I'll get around to it later." Especially if it's a rush project and the client is anxious to see you get started, you can be tempted to start writing before that signed contract arrives.

Don't do it. Have those processes in place. Also, you might consider creating a few boilerplate contract templates, for various projects and client types. Not every contract needs to be written from scratch. When the rush-job frenzy starts, if you have a template to customize, it can be a lot easier to get it done quickly.

Don't let the contract be a stumbling block. Be professional. Be polite. But get everything in writing – your project fees, terms, schedule when deliverables are due, that kind of stuff. Have it all in writing, so that there aren't any gray areas, later on.

We're all familiar with scope creep – when you're in a project and the client starts adding all kinds of stuff that wasn't in the contract and doesn't really want to pay you more for it. Without a contract, scope creep can run rampant, and you have no basis to say anything about it, because you don't have it in writing.

If you've got a written agreement that both you and your client have reviewed and signed, then you can respond to scope creep by telling your client, "That isn't covered in our contract. Shall we start a separate agreement for this additional work?"

CAROL: This is one of the most important pieces of our business. And it's one that too many writers don't bother with – and they regret it, later.

On our survey, 24-percent of respondents said they don't understand contracts: "It's all Greek to me," one wrote. A similar percent said they have never worked on a contract – they've never laid eyes on one. Another 30-percent said, "I don't know what's fair in

contracts.” And 27-percent said, “If a client wants me to send them a contract, I don't have anything to send.”

This is a big issue, especially if you have small-business clients. Often, it might be their first time using a freelancer, or maybe they went through an agency. Now, they want you to draw something up. So, that's almost one-third of the writers maybe having to bow out of a gig, just because they don't know how to put together a brief contract.

One of the statistics I hated most in our survey was on getting stiffed. In all, about 40-percent of the writers said they have gotten screwed on a payment, not paid on at least one writing gig they've done. No surprise – 75-percent of those writers didn't have a contract.

These are big problems that cause freelance writers to get ripped off and not earning what they should. Writers end up getting poorly treated by clients, and often do much more work than they'd signed up for.

In this e-book, we're going to give you the tools to avoid these problems – you'll learn to create a business plan, understand contracts, negotiate, and manage your clients to maximize profit. We've got contract templates, change-order forms, and many other useful handouts in the companion Workbook.

Now that you've got an overview of where many freelance writers run into trouble, let's roll this back to the beginning and look at how to set up your business right from the start. Taking the time to do this will lay the groundwork for future success – so it's worth it. Trust us.



Chapter 1: How to Set Up Your Freelance Business

CAROL: You'll need some important nuts-and-bolts to make your business successful, and, more important, to convince the IRS (or your country's tax authority) that you are running a business. You don't want the taxman to think this freelance writing thing you do is a hobby.

Starting Your Business

NEIL: The first thing freelancers generally do is figure out what they're going to call their business. Once you have a business name, register it, even if it's a DBA – doing-business-as – name. You should register your business name, even if it's simply your own name.

While you're coming up with your name, it's a good idea to check domain name availability. If you plan to register your name as a trademark, check with the Patent and Trademark Office. They have a database called the Trademark Electronic Search System, or TESS.

A DBA needs to be filed if you use anything other than your personal name. My business, for example, is Tortorella Design and Marketing Consulting. That is a DBA. If it was just under "Neil Tortorella," I wouldn't have to do that.

So, give good thought to the name. Then, check the availability of that name. If it's available, you're ready to register it with the state. Some states require that you register with both the state and locally. Check with your local government, and follow the rules for where you live.

CAROL: When you're deciding on a name, think about SEO and keywords. I've reviewed so many writers' websites, where the writer has created business names like "Jadevine Media" or "Lane Communications." These names don't help you, as a

freelance writer, because they don't say what you do – and they have no keywords that prospects would search on.

It's fine to choose a totally random name, if it's fun and memorable. One freelance business I know is called Acrobatic Cow. It's so memorable, and she's got a hilarious logo of a little cow doing a summersault. That's fine if you want to go that route and build SEO in other ways, but you don't want to pick a pseudo-professional sounding name that isn't memorable, doesn't mean much of anything, doesn't tell people what you do, and it's sort of dull. Those are my tips on business names.

That said, let me reveal that I have a totally stupid business name, which is also my Twitter handle: TiceWrites. It's okay. It's got writing in it, but I don't operate much under that name. It's just another name people have to know. All of my businesses are under different DBAs: Make a Living Writing, Freelance Writer's Den, [Useful Writing Courses](#).

I don't feel like I did such a great job creating unified branding, so I'm giving you advice partly from my own mistakes.

The other thing is, be sure to look at whether the Twitter name you want is available, or if some party-animal crackhead already has it and is posting stupid messages. I've seen major corporations run into that sort of trouble with products they wanted to promote on Twitter, and it can be super-embarrassing. I wrote once about a [hashtag fail at Burger King](#) along these lines, where they chose a hashtag that meant something very rude, because they didn't research it. So, do a little social media tour, too, before you pull the trigger on a name.

The other thing to know is: You can always get another name. It's not that hard to register a business name, and it doesn't cost a ton of money. So, don't feel like you're stuck with a bad name. Feel free to get another one.

NEIL: After the business name, the next thing is to decide your business's legal structure. You're a real authentic business, even though you're a freelancer. I know a lot of freelancers who have a loose view of their business. They don't really see it as a business, but, legally, you are one. So, choose a structure before jumping in and doing work.

A sole proprietorship is what nearly every freelancer starts out with. It's the simplest legal form. The problem is, it also carries personal asset risk.

In other words, legally, there's no difference between you and your business. If somebody sues your business, they can sue you and take your house or boat or whatever, so you want to make sure you're covered.

You may want to set yourself up as a corporation, and these come in several different flavors.

In the U.S., there's a C-corporation, which people think of when they think of a corporate structure. This is a full-blown corporation. It's more expensive. There's a lot more paperwork involved. But it may be beneficial, depending on your circumstances.

A lighter form is the S-Corp, and an even lighter one is the Limited Liability Corporation, or LLC. An S-Corp is a kind of simplified version of the full corporation, but not quite as much paperwork. It still needs to be legally registered with your state's Secretary of State.

A lot of small businesses are using an LLC structure now. It's a hybrid between a sole proprietorship and a corporation. It combines the good points of both. You'll have more paperwork to file than with a sole proprietorship, but it can be worth it, in terms of benefits and limiting your liability.

CAROL: An LLC can really help you. But I do want to spotlight that signing a personal indemnification clause negates the protection that the LLC provides. An LLC is not a magical protective barrier against anything you could possibly do wrong.

NEIL: For instance, if your business is a corporation or an LLC and you want to get a loan, the bank will almost always require a personal guarantee. So, it doesn't cover everything.

CAROL: Great example of what an LLC doesn't protect you from, Neil. But, if you've done your contracts right, an LLC will protect you if somebody decides to sue you for millions, as happened when [NBC was sued](#) over their coverage of the George Zimmerman murder trial. This suit was eventually dismissed, but you can bet not before a lot of money was spent on lawyers.

Another important thing to do to protect yourself as a business owner is to buy business insurance. Your home insurance policy will not cover you if the UPS guy is delivering some business-related package to your house, and he slips and hurts himself. You need what's called a BOP – a [Business Owners' Policy](#).

A BOP can protect you against many types of liability: people getting injured at your home office, your business getting sued. You really want that extra layer of protection. I pay \$500 a year for it, and it's worth every dime.

NEIL: I completely agree, Carol. As a matter of fact, in *The Freelance Writer's Business Book*, I devote an entire chapter to insurance.

I recommend talking with an insurance broker, as opposed to an insurance agent. A broker will represent a variety of companies. An agent represents one company, such as Prudential or State Farm. The broker will give you better options, and there are loads of insurance policies for business — errors and omissions, liability, and so on. The broker can make recommendations for what you need.

You can even get website insurance. If your website got hacked, it would cover the costs of restoring or rebuilding it. Or, if your site gets a virus that somebody catches and it wipes out their data and they sued you. There's insurance for that, so see what's available, and what makes sense for you.

CAROL: One other insurance tip: Try your current company first, where you have your house or car insurance. They may sell many types of insurance and give you a better deal because you have multiple policies with them. If your insurer doesn't offer business insurance, it's not hard to find a business insurance broker. Ask around at your local Chamber, and get a referral.

NEIL: It's always a good idea, before you jump into insurance, to check with a business attorney. Don't use your personal attorney, or a lawyer-friend, for your business. If you can, you want an attorney who specializes in business law. They'll know all the "ins" and "outs" that can save you money and aggravation down the road.

There is another form of business: the partnership. By definition, partnerships don't really apply to a solo freelancer — and it's a good thing, because a partnership is the worst type of business structure for freelancers.

It's got all the problems of a sole proprietorship, plus you're legally married to your partner. As a matter of fact, if one of you gets a divorce, that can cause huge problems for the partnership. Sometimes, it has to be dissolved to pay off one partner's spouse.

If you have questions about business form and the best one for you, check with your Secretary of State. It's usually the Secretary of State's office that handles business-name registrations and corporate document submissions.

CAROL: At the Federal level, I want to strongly encourage everybody in the U.S. to get a Federal tax identification number, known as an Employer Identification Number, or EIN. You can get it online for free. **Please note that there are scam sites that ask you to put in your Social Security number, and charge you a fee to get an EIN.** Beware of these, and make sure you are on the IRS's official site. These fake sites not only charge you for something that should be free, they capture your Social Security number and may use it to defraud you and others.

The IRS site just has a little form you fill out. They spit out a number instantly, and you're set with a Federal tax ID. Be sure you're on a site with irs.gov in the URL.

There are several big advantages to having an EIN:

- It's free.
- It helps present you as a legitimate business to the IRS, versus "I'm a sole proprietor, and I'm just using my personal Social Security number for my business."
- It's a requirement for most government contracting work. (Even if you're subcontracting on a contract won by a big agency or company, you'll need that EIN.)
- The EIN allows you to avoid handing around your Social Security number – faxing it to people, or emailing it to clients on W-9 forms. This helps prevent theft of your Social Security number.

We all know that Social Security fraud is a huge, huge problem, and it's a ghastly nightmare if you end up having a compromised Social Security number. An EIN is a different ID number for your business, and a smarter way to go.

I have a personal story here, sorry to say. My email was hacked at the moment I emailed my W-9 with my Social Security number on it to a client, and it was compromised. If this ever happens to you, request a secure transaction code from the IRS for your taxes. That verifies it's really you, and helps the IRS to detect any fraudulent filing that relates to your Social Security number.

It's a big mess you don't want to get into. Have long and complicated passwords for your email accounts, and have an EIN so you're not giving out your Social Security number.

Now that you're a legitimate, registered business, note that you're on the radar of taxing agencies. Even if you're a sole proprietor with a DBA, you'll start getting notices from your state and local authorities that your annual or quarterly taxes are due.

NEIL: There are other considerations beyond self-employment taxes, depending on what you do with your business. For instance, you might also find yourself collecting sales tax.

I have some friends who are copywriters managing a lot of print production projects. In other words, they're the lead guy on a project, with a team of designers or photographers under them. They make a lot of money on markups. They manage the printing of their clients' materials for an additional fee, beyond the copywriting.

If you plan to do this sort of project management, you'll need a vendor's license number from your state. As a registered vendor, you get to collect your state's sales tax. Aren't you thrilled?

You'll have to weigh whether this is a type of writing you want to do. How much money will you get for a markup, if you do resale? And how much will it cost you to do this? Because you'll remit what you've collected in sales tax, quarterly, to your state. If you didn't collect it, you'll be personally liable for it, which is bad.

If you do plan to resell printed materials where sales tax is charged, ask your accountant about the situation in your state. All states have a variety of licenses and permits that may be required.



When I have questions on the fine points of business operation such as this, I go onto the Small Business Administration website at [SBA.gov](https://www.sba.gov). They have a wealth of relevant tax information, including links to the [appropriate registering agency in your state](#).

Again, if you get with an attorney and an accountant when setting up your business, ask them for recommendations and guidance on this, too. You don't want to mess with taxes.

If you don't collect taxes you're obligated to collect, such as sales taxes, you become personally liable for that money, which is not good.

CAROL: I think that's a pretty unusual situation, Neil.

The main tax most freelance writers will pay is for operating your service business at your location. In Washington State, where I live, it's called business and occupation, or B&O taxes. They may be called something different where you live.

State agencies often base your tax on gross sales, not net income. That's the bad news for someone like me, who has a high gross income and a much more modest net income. I can tell you, it's a drag.

The first year you're in business, you can pay your federal and state business taxes at the end of the year. From there, if you have a growing business and you're making a substantial income, be smart and make quarterly tax payments. Taxing agencies may require you to switch to quarterly payments, but I recommend you do it, even if they don't compel you.

At this point, I make quarterly tax payments for both federal and state tax. It keeps you from getting into a scenario where, in April, you suddenly realize you owe \$5,000, all at once — some big number you may not have up your sleeve. Now, you're in tax trouble. You don't want that to happen, so be smart and pay quarterly.

Once you hit a certain income level, there may be penalties if you don't pay your quarterly taxes. Don't waste money on paying penalties that do nothing to build your business. It's really easy to set up quarterly payments. If you need to switch to quarterly, I think TurboTax can walk you through it. Your state will help you set it up. In most cases, it's something you can do online, or you mail in a printed payment slip. It's not complicated.

The big thing to remember is, as a business owner, you'll be paying the full employment tax. When you were an employee, your employer paid half of it and withheld your half, so you never really saw that money. As a business owner, that tax is doubled — just another reason writers need to charge professional hourly rates and not \$10 an hour. Once you take out all of your additional business costs, such as doubled employment tax, those low rates aren't going to pencil out.

I used to be *Entrepreneur's* tax columnist, so taxes are sort of a pet area of mine. Most people don't know enough about them when they go into business for themselves, and, as a result, they pay too much. Like I just mentioned, pay quarterly taxes so you don't have

finer. Develop a strategy. Keep good records. Learn what is and isn't deductible, and keep receipts.

I don't care if you throw receipts in a shoebox all year, or you use a cool program like Shoeboxed to scan and file receipts online. Just find a way that works for you. Personally, I'm pretty low-tech. I used to have a boss who religiously entered every expense in real time. At the end of the year, he pressed a button and his taxes were all figured, but I felt it was an inefficient use of time.

My method is this: I have one folder. At the end of the year, I go through it and enter all the expenses into the tax categories.

The important thing to know is, as a business owner, you can write off many things you may not have written off before: advertising and marketing costs, education and professional development, licenses you paid for, such as \$79 to register your DBA.

Other write-offs include accounting or legal fees (if you can talk to that lawyer), traveling for business, attending a professional conference, driving across town to talk to a source. If you do drive around a lot for your freelance business, note that you now need a mileage log in your vehicle, where you log business miles. Then, at tax time, they'll figure out what percent of that car use was business, and give you a break accordingly.

Meals and entertainment — take a source out to lunch, or review a play — they're both write-offs. Equipment and software — did you upgrade your Microsoft Office? Write-off. Publications — as freelance writers, everything you subscribe to should be a write-off. It's all stuff that's educating you about writing markets.

I write off the *Seattle Times* and my *Oprah* magazine, for instance. (I am going to write for *Oprah* one of these days!) Everything you read is a potential market.

If you have a virtual assistant, hire a transcriber, or subcontract writing to other writers, you have labor costs, and they're all write-offs, of course. If you sell things on your blog, and you pay commissions or referral fees to people who give you clients...all are write-offs.

The big thing to know is that tax laws change every year. Lawmakers are constantly tinkering with the tax code. If you need a cheap solution, TurboTax is great, or your accountant can walk you through recent changes in deductions.

NEIL: I live in Fort Lauderdale, where the city and county governments regulate everything down to how you breathe. If you rent, check your lease. If you have a

homeowner's or condo association, check with them if you plan to have a home office, and find out their regulations.

You don't want to set your business up in a real nice home office, get clients, and then some official says, "You can't do that." Make sure you can, in fact, run a business out of your home.

Most places, it's okay as long as there's low traffic and no signage – or they'll have signage requirements. For most freelancers, these aren't big issues – but do verify that everything's cool.

CAROL: Next on your to-do list: Open a business checking account. Keep your personal and business expenditures separate; don't intermingle funds. This is another way to show the IRS you really are a business.



I tend to look through once a month and make sure I've noted what things have been paid and expenses I've got in the shoebox and stuff.

NEIL: You always want to watch your income and expenses. You're probably not going to be looking at balance sheets every week like a big business might, but you want to make sure you've got a good handle on what money's coming in and what money's going out, and *when* money needs to go out.

It's one of those extra hats that we freelancers wear. Creative stuff is great, but when you become a freelancer, you're also the bookkeeper, the janitor, and everything else – so get used to it.

Do a SWOT Analysis

NEIL: SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. Doing a SWOT analysis can freak a lot of people out. They think it's a big, scary, corporate exercise, but it's not. It's simply an assessment of your business. I recommend that every freelancer do a SWOT analysis, especially if they're just starting out.

The trick is, a SWOT really needs to be honest. That's not to say that we outright lie to ourselves. But sometimes, our perceptions of ourselves, our business, and our environment aren't entirely realistic.

It's always a good idea to involve some friends, family, or business associates in your analysis – people you work with a lot and who know you well. Ask them for their thoughts, too, so that you can put together a realistic SWOT.

SWOT Analysis	
Strengths <i>Talented</i> <i>Knowledgeable about business</i> <i>Good location</i> <i>Excellent reputation</i> <i>Up to date equipment</i> <i>Good marketing skills</i> <i>Self-starter</i> <i>Well financed</i>	Weaknesses <i>Overpriced</i> <i>Tend to be an introvert</i> <i>Difficulty with setting appropriate fees</i> <i>Tend to get sidetracked</i>
Opportunities <i>New office, part office, several prospects</i> <i>Great referral opportunity with associates</i> <i>Working with the office additional human resource</i> <i>Information products to sell on website</i> <i>Create a blog as a new marketing avenue</i> <i>Leveraging the web for remote clients</i> <i>Spending expenses at local regional clubs</i> <i>Negotiate increase in fee of credit</i>	Threats <i>Top areas opening, expanding</i> <i>Low skill designers increasing</i> <i>Climate bringing projects in house</i> <i>Several other pricing clients</i>

Your key strengths might be things such as your work ethic, your location, or something specific within your talent – maybe you have a tech software background, for instance. List all of your strengths. It's good to do that from the client's perspective. If a client were touting your strengths, what would they say? Again, try to be as realistic as you possibly can.

The weaknesses...well, those are things that maybe you're not so hot at, and we all have them. But you need to know what they are and how they'll affect your business. Maybe you're a procrastinator. Maybe you're not great at managing money or budgeting, or you hate marketing. You can learn any of this, but it's good to just spell it out.

CAROL: Maybe your weakness is that you don't have any clips yet. Think about what you can do to improve on that weakness. Maybe your friend owns a little retail store and will let you do a few pages of their website. Now, you have a clip.

The SWOT helps you identify the problems. Then, start looking at what you can do to solve them.

NEIL: Opportunities can be a variety of things. Maybe there is a new industrial park or office park being built in your area with some good prospects there. Maybe you have a windfall of capital you could use towards marketing. What are the realistic opportunities that are presenting themselves?

Threats are the opposite of opportunities. We often think of our competition as a threat, which is true. But also think about threats coming from you. What personality traits could be a potential threat? Are you gruff or impatient with people?

It can be kind of gut-wrenching when you first get started, but, if it's not honest, the SWOT won't do you much good. Be honest and open, and this becomes a huge aid in planning and managing your business. You learn to play to your strengths while minimizing the weaknesses.

Once you've done an initial SWOT, repeat this exercise at least annually, because things do change. Sometimes, in freelancing, things change on a dime. The SWOT analysis is one of those things a lot of freelancers just blow off, but it's really key to a successful freelance business.

Write a Business Plan

CAROL: One reason we want you to do a SWOT analysis is because it's a great aid in creating a business plan. Don't be frightened. Don't run away. The solopreneur's business plan is not like the business plan created by some hot tech startup seeking venture capital.

NEIL: Business planning is another thing that freaks out a lot of freelancers, but it's just putting some basic ideas together for your business's direction.



A business plan typically has, roughly, eight parts. They are:

1. An executive summary;
2. A detailed business description;
3. Product or service descriptions;
4. A profile of your target customer(s);
5. Your marketing plan for reaching those customers;
6. A competitive analysis;
7. Operations and management plan (how you will run the business);
8. Financial statements.

I know, that sounds really corporate and scary.

But, for freelancers, the value is in the process of writing and researching the plan. It puts you in a position where you do some critical thinking, both about things happening day-to-day and about the big picture of where your business is going. Having those insights can give you a huge advantage over competitors who have never taken the time to plan their priorities and course of action.

I started my business in 1986, and I wrote a *War and Peace*-length business plan. I was so proud of it, and it guided me for the first few years. I kept it on my desk within reach, and whenever I'd get to a place where I wasn't sure what to do, I'd go back and read it. Then I'd say, "Yeah, yeah, I see what I was going to do here." And I'd know what to do next.

The bottom line is, the business plan lets you plan and direct your business, rather than letting your business happen to you. That latter mode is what most freelancers do.

To start with, some of the information described above will go into the plan – your business type, your legal structure, that type of thing. But the meat of the plan is your goals. What are they for the next six months? For this year?

A lot of plans do three-to-five year, long-term planning, which is a great idea. Where do you want to be in five years? What do you want to see ultimately happen with your business?

Something magical happens when you write down goals. They actually happen. They get done. You become responsible. Within those goals, you plan how to reach them. What will your strategy be? Where will your resources come from?

When people talk about resources, they're usually talking about money, but resources can also mean your network of connections, your education, the services you offer. What are your big selling points? Write those out. This is where that SWOT comes in handy.

Beyond that, you want to look at your market, your customers, and competitive research. When I did mine, I think I had roughly a dozen pages, just on the competition. You don't need to be that elaborate, but get a handle on what your marketing environment looks like.

Also, when it comes to your competition, it's not just other writers. These days, it can be pretty much anyone with a keyboard – administrative assistants, client staff, your neighbor's second cousin's kid who "has a flair for writing." It can even be software. Consider that accountants compete against other accountants, but also against software such as QuickBooks.

Do you have a niche? Is it profitable? Is there repeat business potential? Who are you competing against? How well can you compete against them?

Even more important is your audience. You'll want to have a good understanding of who your market is. Someone once said the market isn't vague. It's where you want to be able to state exactly what your customers are all about.

What are their demographics? I find it really useful to create a profile, and I do this for myself and for my clients, where you can distill your customers into a single, fictitious person who has these traits and behaviors. It's very useful to imagine your ideal customer this way. Have a good understanding of that, and a lot of things will fall into place more easily.

CAROL: That's a terrific exercise. Imagine a person – a typical marketing manager at a mid-size software company, or a typical editor at a national women's magazine. Imagine them. Think about their life. What do they wear? What do they eat? How much money do they make? What are their problems? Such a great exercise.

NEIL: So many freelancers don't take the time to understand their audience. Once you do, that will help you choose your marketing activities. Are you going to have an e-newsletter? Are you going to do a stream of press releases, print brochures, online advertising? What else will connect with your audience, on their turf?

For me, a lot of my audience is an in-person audience, because I meet a lot of my clients at my speaking gigs. That also ties into my blog, and I've got a couple of those, and online activities, such as discussion groups and forums. That works for me, but maybe what I do won't work for you. Experiment to find out what'll be best for you.

Try a couple of things to see how well they work. It's awkward, because you've got to give it enough time to see if a strategy is working, or if it's a dog. But not too much time, where you're dumping a load of dough into something that's not going to pan out.

Maybe run your e-newsletter for three months and see how your list does. Maybe do online marketing through discussion groups and forums for a few months, to see how it works.

If something isn't working for you, dump it within a reasonable amount of time. It might work for the guy next door, but not for you.

CAROL: I think three months is a good time to persist, and then say, "Wow, did I get anything out of that?" If not, you need to move on.

NEIL: Financial plans are daunting for a lot of freelancers, as well. They should have your income and expense statements. You want to have forms for projections – what you think you'll be earning, based on whatever criteria you have. What do you need to earn? How will you earn it? Projections are difficult when you're just starting out, but you've got to start somewhere.

The balance sheet is really important. If you've got something like [FreshBooks](#) or QuickBooks, or something like that, it makes it real simple. The program can help generate these for you. Then, see where you'll need to pick up some slack, or drop a client – or, maybe you're doing great.

In the beginning, you'll probably want to look at forms, such as your income statement, on a weekly basis. Check your aging statements, also. Aging is how long clients take to

pay you. Let's say you send a bill and it's net 30 -- which means you're supposed to get paid in 30 days -- but some of your clients are paying in 60 days. You need to be aware of that -- it could affect your decisions on which clients to keep and which to drop.

I know a lot of freelancers who get totally absorbed with this sort of statement analysis. Don't do that, but at least look at them, because you want to know where you're at. Take a cursory look at your projections, as opposed to the reality in your financial forms, and make changes as needed.

Q&A

I am a sole proprietor, and I used to file quarterly. Now that I'm married, I'm filing jointly. What's the best method for filing taxes for my business now?

CAROL: Your business is a different entity from your marriage and your joint tax return. In the U.S., it will have its own form, Schedule C. You just keep right on filing those quarterly business tax payments. Keep doing it like you used to.

SCHEDULE C (Form 1040)		Profit or Loss From Business (Sole Proprietorship)		OMB No. 1545-0074	
Department of the Treasury Internal Revenue Service (99)		▶ Partnerships, joint ventures, etc., generally must file Form 1065 or 1065-B. ▶ Attach to Form 1040, 1040NR, or 1041. ▶ See Instructions for Schedule C (Form 1040).		2014 Attachment Sequence No. 09	
Name of proprietor				Social security number (SSN)	
A Principal business or profession, including product or service (see page C-2 of the instructions)				B Enter code from pages C-9, 10, & 11	
C Business name. If no separate business name, leave blank.				D Employer ID number (EIN), if any	
E Business address (including suite or room no.) ▶ City, town or post office, state, and ZIP code					
F Accounting method: (1) <input type="checkbox"/> Cash (2) <input type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) ▶					
G Did you "materially participate" in the operation of this business during 2009? If "No," see page C-3 for limit on losses <input type="checkbox"/> Yes <input type="checkbox"/> No					
H If you started or acquired this business during 2009, check here <input type="checkbox"/>					

I have a client who keeps giving me editing assignments she wants by the end of the day. Should I raise my rates in this situation, and if so, by how much?

CAROL: Heck, yes! Personally, I like doubling my rates for same-day emergency work. Charging a lot more for rush work can help motivate clients to get more organized, too. But if they can't get it together, you should be paid a premium for dropping everything to do their work. Often, taking rush work means you're going without sleep, or foregoing family time – and it's got to be worth that sacrifice.

NEIL: I do the same thing, and for exactly the same reason: to encourage them to get their act together. Their lack of planning shouldn't be your crisis. If you decide you're willing to make it your crisis, then you need to be well-paid for that.

CAROL: I'm on a job right now I had estimated at \$1,000 of work, and I'm doing it for \$2,000, because they're in a big hurry. It's for a startup, writing a business-plan type document, because they want to sell themselves right now – they see an inflection point in the marketplace where the owners think they can get a good price.

The thing is, if you don't charge more for rush work, then you're turning their crisis into *your* crisis, because you're not getting paid enough. Their crisis should be your opportunity...always.

I'm a writer starting out in the U.K., and want to know about obstacles to getting work in the U.S.

CAROL: There aren't any, really. It's a global marketplace now. It just means you won't get a tax form, which can be a real advantage.

What determines whether you should set yourself up as a sole proprietor versus an LLC?

CAROL: The thing to know is, as a sole proprietor, you're completely exposed. The LLC is a better choice in terms of protecting you, but it costs more money to set up. There's a little more paperwork, annually.

I personally switched to the LLC form a few years ago, because I was writing a print book where I was indemnifying the publisher for everything I wrote, and I felt very exposed. I somehow thought the legal department at this publisher would be vetting

everything, and I learned that was not the case. I decided I couldn't be a sole proprietor in that scenario – it would be foolhardy.

I was reporting on major public companies in this book, and interviewing people who used to be with the company. There was so much potential for someone to disagree with my source's version of events, even though it was all legitimately sourced. Just think about the kinds of writing you do and how easy it would be for someone to say, "You got it wrong, and now I'm going to sue you for defamation for \$10 million."

NEIL: You don't want to get sued, and people do that for the littlest things, particularly with copyright stuff. If it makes sense for your situation, it's worth it to become an LLC. It's a few bucks extra, and a little bit more paperwork, but it might be something that'll save your hindquarters in the end.

Any concerns if I'm working as a U.S. expat living abroad?

CAROL: I haven't worked as an expat, but my understanding is that, in general, it can be a tax advantage. If you have clients in the foreign country where you're living, there may be a big exclusion for foreign-earned income, where you get a tax break. But consult your accountant.

NEIL: I've got two partners. One's in Bangkok, and the other one's in Melbourne, Australia. It's something you need to check into, depending on where you live. Catherine, my Bangkok partner, used to live in Brunei, and she needed to have a local partner to operate in that country. So, find out what the requirements are for your particular country. You don't want to be a year in the business and find out it's wrong and they close you down.

What are the most common reasons freelancers get sued?

CAROL: You made a mistake – you misquoted someone. You made something up, or you omitted something. Or you neglected to give someone credit for a paragraph you cited from their book, and now they're suing you. They call it errors and omissions insurance because those are the two main things.

What's the best accounting method?

CAROL: There are two basic methods – cash and accrual. Without getting into a lengthy, complicated discussion, I believe cash basis works best for most freelance businesses. That means you report things when you get them, and you record expenses when you pay them.

NEIL: There's really no reason for a freelancer to go with accrual. It's kind of nuts. You should be fine with cash accounting.

Are we supposed to collect sales tax on writing blog posts for clients?

CAROL: No. You really don't have to collect sales tax on anything unless you're printing and selling things, at retail.

Are services such as LegalZoom or MyCorporation sufficient for setting up an LLC?

CAROL: As far as I know, they're fine. I think they've been around a long time and are proven providers.

Can your business name be identical to your name? What are the pros and cons?

NEIL: If you've incorporated, you'd have to file taxes under your corporate name. But if it's a sole proprietorship, you don't have to do anything if you simply want to do business under your own name. On the other hand, if you want a business name such as Jane Doe Writing or Jane Doe Freelance Writer – something that isn't just your name – then you have to register a DBA, or Doing-Business-As, filing.

If I signed a contract for a large project, then set up an LLC for my business during the course of that contract, should I get a revised contract that lists me with the LLC and the new EIN?

CAROL: Yes, you should – and that happened to me, too. I was in the middle of a contract, and I had to redo the contract.

As an LLC, you should know that if some clients still send you a W-9 and it's only got your Social Security Number on it, it's okay. I just had that discussion with my accountant. It's okay, but it's nicer if you can get the contract updated and get them to use your new EIN.

Is a non-signed contract sent via email legal?

CAROL: No. It has to be signed. There are tools such as [Adobe EchoSign](#) now, where you can electronically sign it.

I can tell you that replying to an email with "I agree" has proved to have legal validity. When I was writing online content for American Express, that's how they did all their contracts. They sent us an email and said, "Please type 'I agree,' and send it back," and that's all they did.

So, that's legit. But you can't just fire off a contract to someone and never get a signature and think it's enforceable.

NEIL: Don't start the work until they sign a contract, because that's just wrong.

In doing the SWOT and business plan exercises, is it best to focus on what we want, or on what we think is obtainable?

NEIL: For a SWOT analysis, focusing on what you want is not real. That can be a pipe dream. It's much better to focus on what's realistic, and things that are tangible.

CAROL: There's nothing unreasonable about saying, "I want to write e-books." Or, "I want to write white papers." People need to dream big. It's great to have a big, overarching goal of how you envision your writing career going.

I'd like to encourage you to not say to yourself, "Oh, well, that'll never happen." No, it could happen. You can make it happen, if you make a plan and start taking the steps.

NEIL: Goals are things that are out of your reach but something you can do over time. For example, a goal of "I'm going to make \$10 million next month"... that's not realistic. But pursuing a certain type of writing is totally realistic. You can always get educated in a certain genre.

CAROL: Then, from the big goals, start breaking it down. If that's my big goal and I'm here now, what should I do next? What are all the steps it would take to get to that level? Do I need to take a class? Do I need to network with a different group than I already am?

For instance, say I really want to break into national women's magazines. Well, something I could do is to join the [Journalism and Women's Symposium](#) and go to their annual conclave. I gather that tons of national magazine editors attend. So, ask yourself what steps you could take to get going in that direction. That'll be part of your business plan.

The big problem in freelance writing is there are so many possible things you could do with your time, and so many different kinds of writing assignments you could go after. Think about where you want to go, or you'll just go around in circles.

NEIL: Your huge goal, your main goal, might be overwhelming to you. But little goals let you get things done, and give you confidence. You start to think, "Maybe that's not impossible. I can do this and that, and then bingo, I'll attain X-Y-Z goal."

CAROL: You take the giant goal, and you break it down. What do I need to do this year? What do I need to do this month? What do I need to do this week? Finally, what do I need to do *today*? That's how it goes.

You get down to the level of today's priority level, and you start taking steps.

So, the SWOT is where you're at now, and the business plan is where you want to take your business?

NEIL: Exactly. You know, if we don't have goals and dreams of what things can be, we're kind of lost.

You take your SWOT and your plan, and you break them down. Say I want to do thus and so. That's my main goal, but I've got this weakness. Well, how can I combat that? Maybe I can capitalize on this opportunity that will get me closer to my goal.

It's a matter of being realistic and having information. If you're just sitting there, letting your business happen to you, you're never going to be happy. You're always going to be reactionary. Grab the bull by the horns, and do it. It's not tough. You can do it.

And don't sell yourself short. You really are a whole lot better than you probably think you are. It's just a matter of writing your goals down.

As I say, when you write them down and you stick them on the wall or whatever you do with them, all of a sudden, they're tangible, and they become realistic.

CAROL: Speaking as a college dropout who now has two traditionally published print books – yeah, you can absolutely do it.

The thing about freelance writing is that no credentials are required. There is no limit to what you can earn. It's all what you decide you're going to go after. That's it.



Chapter 2: How to Negotiate Great Rates

What To Know Before You Negotiate

CAROL: If you're going to be successful at running a freelance business, negotiating is a super-important skill. And it's one I see so many freelance writers run from.

Before you find yourself in a negotiation, it's good to figure out what you need to earn. I often hear this from new writers: "I have no idea what to charge!" You should never have "no idea" what to charge. If you're taking this business seriously, you need to do two kinds of research to get at least a dim sense of what to charge. The first thing is to figure out what you need to earn to pay your bills.



NEIL: Your base rate is imperative. Just because Joe Blow Writer is charging this much and another writer is charging that much doesn't take your specific circumstances into consideration. You need to figure it out, because your estimating process will be based on

your needs – your target income, how much you want to make, your overhead expenses, and your profit margin.

If you don't have a profit margin, your business won't grow. You might break even, but you're not making a profit, and that profit is the funny money that lets you grow and do stuff. Without knowing exactly what your profit point is, you're either pulling numbers out of the air or charging "the going rate." Instead, know what rate works for you.

CAROL: Also, while you're prepping to negotiate, make sure you have a good prospect. Identify the kind of client where you *can* negotiate. If it's some content mill website, and their policy is, "All articles pay \$15," obviously, no negotiating is going to be possible. These are fixed-price clients.

And that makes me so sick, because many mill writers have told me, "I spend extra time on my articles to make them awesome." Which is a complete waste of time, because you'll never be rewarded for that, ever. You're just giving them extra value for free.

It's the same with the revenue-share world. If you don't get clicks, you don't get paid. Their formula is set, and you'll never get a better deal.

Develop a nose for loser clients and don't bother with them, because you can spend a lot of time in back-and-forth with a prospect, and taking meetings. Don't waste your time. Try to qualify clients quickly.

There are some common red flags we see from low-paying prospects. Their ads say things like: "You'll get lots of recognition."

Or, when you get them on the phone and quote a professional rate, they'll say, "I could get the same thing done online for next to nothing." "I could use Fiverr." "It's a contest. You might get paid if you win." When you're a new writer, it seems so scary to turn anything down, but these are not people you want to work with.

What ends up happening to so many writers is they'll get trapped in a cycle of being fully booked with crummy, low-paying clients. They have no time to market and find better clients, and never earn enough to get rid of any of these clients. It's like being stuck on a gerbil wheel.

Also, watch out for boundary pushers who contact you at weird times – 10 p.m. on Wednesday night, 6 a.m. on Saturday morning.

If a client wants you to show up at their workplace and work set hours, or even just work set hours at your house, watch out. In the eyes of the IRS, that defines you as an

employee. If they're saying, "I need you from 9:00 to 4:00, three days a week," that throws your independent contractor relationship into a gray area.

They should not be able to ask that of you, as a freelancer. So, feel free to say, "That's outside the scope of a contractor relationship."

Once you've got a contract, if there are unreasonable demands outside its scope, it's time to renegotiate. Always remember -- you have a right to say "no."

Here is my philosophy on negotiating. I had this formative experience early in my career, where I was a secretary at MGM Studios. I worked for an attorney who negotiated actor deals. If an actor wanted to test for a TV pilot, the night before his test, we made the entire deal for his earnings for the next seven years, which is the maximum legal length of a TV contract. That actor could not set foot on that sound stage to do a test without a signed deal.

And that's the way it should go. Don't start writing before you have a deal. And yes, that means countersigned by them, not just that you signed the contract and sent it back.

My motto is, "Your signed contract and upfront deposit payment start me writing."

If the client asks, "Are you working on that yet?" I say, "No. You haven't sent me a contract yet," or, "You haven't signed it. So, I haven't started yet."

Here's a big tip: Before that signed contract and deposit happen, don't consider them your client yet.

Continue marketing. Don't make room for them in your schedule, don't tell other prospects "no," until the moment the client gives you a deposit and a signed contract, or a magazine editor gives you a signed contract. Assume this prospect will flake out, and this is not going to happen -- until it does.

Now that we've cleared up *when* to negotiate, let's talk about *what* to negotiate.

The correct answer is: everything. Everything in the contract is negotiable. I have negotiated how much I will get paid, when I will get paid, what rights I am keeping, whether I'll get a byline; you name it. Any aspect of the relationship is negotiable.

NEIL: When you're negotiating blog posts or Web articles, most sites give you a little author bio at the end of your piece. Think about what you want in there, what URL people can click on. That's negotiable, too. Don't let them tell you exactly what it needs to be.

This might sound like you're being difficult to work with, but you're not. You're simply being professional. Consider doctors and lawyers. They typically won't talk to a new client unless there is some palm-greasing. For example, my mother cut her shin the other day. When I took her to the new specialist for a followup, he wouldn't even look at her until I forked over the co-pay. You have a business just like those professionals do, and you need to get paid for your time.

CAROL: Another thing to think about is how you bill your time. One writer told me, "I've never billed for client meetings, and it finally dawned on me that I'm getting ripped off." Remember, if an hourly rate client asks you to drive into town and come to a meeting, they pay for that.

I used to charge \$95 an hour. I didn't charge for the travel time, but it was my policy to charge for the actual meeting time. It helps cut down on meetings, when you charge for the time. If you're working on a project-fee basis, which you hopefully are, you still want to get a sense of how many meetings they're thinking of holding, and figure that into your mental calculation before you give them your bid.

If there's a lot of travel time, think about charging for it. I personally resist all attempts to make me physically go somewhere these days, because being out of the office wastes so much billable time. If there are spots like these, where your business is leaking money, maybe you've been giving clients a freebie. Create policies about this stuff.

NEIL: Back in the '80s, when I was first starting out, at one point, I sat down and looked at my timesheets. Yes, I did keep timesheets. I thought it might be a good idea to look at what I was doing. I found out I was spending a load of time — 20 or 30 hours a month — in meetings. And I wasn't charging for that time.

I was leaking money, big time. So, I started billing for meetings. My clients never had any problem with it. Generally, there's a lot of brain time in meetings, where they're tapping your knowledge. You're consulting, and that's valuable. I started charging portal-to-portal, because a lot of my clients were an hour or 90 minutes away, and that was dead time I needed to charge for.

Portal-to-portal means from the time I leave my place to the time I get back to my place. I charge for all that time. And nobody said "boo" to me about it.

Consider where your leaks are, so you can plug them.

12 Ways to Negotiate Like a Pro

1. *Make them blink first.*

CAROL: Once a prospect has described their project, the first thing to say is, “Okay, it sounds like you need a five-page case study. What’s your budget for that?” Don’t say, “Oh, that sounds like \$1,500 to me,” or \$300, or whatever you’re thinking.

See if they’ll throw out a figure, or even a range. Sometimes, that can earn you a lot more money, because the figure they’ve got in their heads is bigger than the one you’ve got.



My rule is, I try to arrive at this budget question within about 30 minutes of getting on the phone, or sitting down with the prospect.

I say, “Okay, tell me about your project.” Many business owners just can’t shut up about their business. They want to tell you their whole life story.

But you need to bring them around to, “Yes, but I’m here because you want to hire me to write something. And it sounds like the project is X. What’s your budget for that? What kind of figure were you thinking?”

Sometimes, they’ll say they don’t know. “This is my first time using a freelancer, ever.” Or, “I haven’t done this in 10 years, and I don’t know what prices are now,” or “I’ve never done this kind of project.”

They'll give you a lot of excuses, or they just don't want to tell you. They'll say, "No, I'm looking for a rate quote from you." Then, you've got to be able to throw out a number.

"I've done similar things on a range of \$X to \$X, depending on how many interviews are needed. That five-page case study needs three interviews, and you need it in a week flat. I don't know. I'm thinking \$1,500. Does that sound good to you?"

Give them a ballpark figure right away, because, if they were thinking \$100, you don't want to spend any more time with this prospect. Graciously bow out, and move on.

NEIL: Exactly. If you're not doing it right now, keep timesheets to help you develop an idea of what to bid. Timesheets are invaluable for figuring out how long something takes. If somebody proposes a gig, look at your timesheets, your history. Then, you can ascertain how much time you spend on this kind of project, so you've got something realistic to talk about. This is very important — even if you don't bill hourly, track your time.

Carol is completely correct – avoid tossing out a number before you're ready and know all the project information. The thing is, prospects and clients often have more money than you might think.

I know a guy who owns several businesses. He's one of the wealthiest guys I know. Years back, he told me, "Whoever talks about money first, loses." That advice has always worked for me.

2. Take your time.

CAROL: If you don't know what to charge, or they won't tell you a number, ask around. Also, don't feel like you have to throw out a number right away, if you don't have one in mind. Say, "Okay, well, then, let me go home, and I'll think about this a little bit and send you a bid tomorrow."

Then ask around. Look in *The Writers Market's* "What to Charge" guide. Ask in a LinkedIn writers' group, or a forum like the [Freelance Writers Den](#). Ask around your own network of writers to get an idea. See if anyone has worked for that client before. Get a sense of what they might accept.

For instance, I recently got a reach-out from a past client who referred me to a client he was advising. They described the project, which was complex *and* rush work. I threw out a figure of \$1,000, and he said, "No, no, it's at least \$2,000 of work."

So, I bid \$2,000 to his client, who accepted it without a blink. Find somebody who knows that prospect, and bounce your fee idea off them. That was \$1,000 I would have left on the table if I hadn't asked around.

Resist all pressure to answer in a big hurry. Anyone who says, "Oh, I'm making a decision now," is not someone you want as a client. It's someone dysfunctional, if they can't wait 12 hours to hear your bid.

3. Use silence.

CAROL: I use this technique a lot in interviews, but it also works in negotiating. There's a human dynamic that people don't like silences in conversation. If you just stay quiet, they will say more.

If they throw out a number, you might simply not say anything right away. I've had clients who then raise their number, just because I didn't respond immediately. It makes them nervous.

They said, "Well, it sounds like \$200 a blog post." And I just left this long silence, and then said, "I don't know. It's rush work," and they immediately responded with, "Oh yeah, you're right. How about \$300?" Silence can help you get information, and get a better rate.

4. Delay if you're not feeling great.

CAROL: If you're not feeling well or you didn't get a good night's sleep, feel free to delay a little.

I love using this little script: "Thanks for contacting me about your project. I'm currently wrapping something else, but I'm interested in learning more. Can we set an appointment to chat about this, maybe tomorrow or Thursday? Here's when I'm available. How do those times look to you?"

Feel free to play it cool and wait until you're in a better head-space to evaluate the prospective project.

5. Don't cave to pressure.

CAROL: Resist all pressure from prospective clients who tell you, “I need to decide today.” You want to sleep on it. You don’t want to look desperate. That high-pressure tactic can also be a red flag of needy, dysfunctional clients who can’t plan well. And, as Neil says, of clients who want the world for \$1.25. So, watch out.



NEIL: It sounds totally counterproductive, but if I’m in negotiations with a client, I look for every reason why I shouldn’t be working with this person. Maybe that’s just from being burned a couple times, but that’s my acid test. If they pass it, then we continue. But there’re a lot of nut cases out there.

As a freelancer, especially a new one, you’ll feel an urge to take whatever comes through the door. Train yourself to resist and not collapse under the pressure. Contrary to popular belief, there will be other prospects, clients, and projects.

6. Don't submit a “blind” bid.

CAROL: If you’re looking at online job ads, you’ll see this a lot: “We’re looking for article writers. Please send us your best rates.” No information on the length of that article, or how many they want. Is it ongoing work? What is the topic? You have no information. Almost all of these offers are crummy. They end up not being good-paying clients, because that isn’t how a functional person hires a freelancer.

Good clients tell you about their business and their project before asking, “What would you charge me for that?”



So, always be on your guard. My stock reply when I used to [answer online job ads](#) that maybe mentioned my expertise but were still vague was, “Once you’ve described your project in detail, I’ll be able to give you an exact quote.”

If compelled to name a rate, I would give them a laughably broad range. “I have done projects ranging from \$.30 to over \$1.00 a word,” which is basically every possible price that’s remotely professional. “And once you tell me more, I’ll be able to tell you where you fall in there.”

Whatever you do, don’t say, “Oh, my price for articles is \$100.” You have no idea what you’re getting into. That’s just crazy.

NEIL: The bottom line is that the client wants to get the best price possible, and you want to get the most money. That’s always a negotiating situation. I have a buddy who’s a pretty well-known designer out of Los Angeles. He told me about a situation where he went into a client meeting with a vague idea of what the project would need. He was thinking maybe a \$3,000 to \$5,000 gig. Keeping his mouth shut and letting the prospect talk, the guy spilled his guts about the budget. It turned out he had budgeted \$15,000 to \$20,000.

So, sit back and let them do the talking, whenever possible. You might find there’s more money on the table than you think.

CAROL: I’ve heard so many stories like that, where a writer’s got a number in their head, but if you wait and hear the client’s number first, it’s two to three times your number. Writers tend to undervalue themselves – that’s something I’ve seen a thousand times. They tend not to think of the value their writing delivers for the client.

I hear writers say, “I’m going to write a landing page for \$50.” And it just kills me, because that’s a marketing tool worth at least \$2,000. A landing page sells a product for them, and they can use it forever. For businesses, remember that, in the great scheme of their marketing budget, the writing fee is pin money, and you’re delivering so much value. So, don’t sell yourself short.

NEIL: If you’re in a situation like that and it’s for a landing page where they’re selling a product, your words are going to make \$1 million for them. And you’re getting what, \$125 to write copy? That’s baloney. It needs to align to the value of what you’re doing.

If there’s one thought I want you to come away with after reading this e-book, it’s this – *You’re worth more than you think*. Your words make money for people. It might be a direct-response sales piece, it might be a magazine article, or maybe a case study for a corporation. That direct-response project can bring in big bucks for your client. A magazine article might increase circulation and, ultimately, ad revenue. A case study can easily bring in new customers for a corporation. You deserve your piece of that pie.

7. Raise objections.

CAROL: When prospects throw out their rate, one of the things I look for is ways to raise objections and point out why the price should be more. This can often pave the way to a higher rate.

Is it rush work? Does it need a specialized skill? Am I writing to a sophisticated audience of only CEOs of enterprise software companies? Is it a complex topic like microbiology and how new biotech products are being created? Or, do I need to interview eight people for this?

I find that, if you calmly and professionally bring up these kinds of issues, clients are receptive to the idea that they need to pay more. The key is tone. This is a business deal, and this is a negotiation. It’s normal that they’re trying to get as low a rate as they can, and I’m trying to get as high a rate as I can.

If you have a good client on the hook, they understand this process is normal. If you keep it calm, people get it. Point out the degree of difficulty that maybe they weren’t thinking about because they’re not a writer, and you’ll get more.

8. Stand firm...

CAROL: If you love your bid and don't want to do the project for any less, this is the method [Sean Platt](#) taught me: "Here's my quote." The end, boom, final offer. You give them your figure, and tell them to let you know if they accept it. That puts out a strong confidence vibe, and conveys a lot of professionalism.

9. Or, leave the door open.

CAROL: If it's a scenario where you badly want this client and you're not sure if your bid is in the ballpark, use this strategy. I used to do this a lot when I first started out and responding to vague online job ads. I'd say my bid and close with, "If you're considering another provider purely based on price, I'd appreciate a chance to revisit my bid."

A couple of times that did happen, where they'd come back and say, "Oh, well, we have this other writer who wants to do it for this much." Maybe you're only a tiny bit different, and it's something that would really rock your portfolio, and you want it. This strategy still conveys confidence but also says, "I really want this project, and I want to stay in a conversation with you about it." So, choose between these two approaches.

10. Bid by the project.

CAROL: In general, you want to bid by the project, not by the hour. For some things, it's impossible to do a project bid – for example, editing work is tough. But you'll usually end up earning more if you can bid project rates.

Why? It's hard to successfully quote someone \$200 an hour, but you can quote a project rate that might well make you that hourly fee because it's a type of writing or an industry you know very well. And my point of view is, it's none of their business how long it takes me to do it.

As you do projects for an ongoing client, you'll get better and faster at the work. If you've locked in five-page white papers at \$2,500, that might be getting you \$50 an hour when you start, but \$125 an hour by the fifth white paper. Because you're working more and more efficiently, your hourly rate is going up, and the client never needs to know.

The good news is that business clients like bidding by the project, too. I sell it as, "You know what to budget now. There will not be any additional charges for writing this white paper. You can stick that \$2,500 in your budget line, and you're set."

NEIL: It's like anything else. Clients want to know what something is going to cost. They don't care about your hourly rate. They want to know the bottom line. And the more you do something, the better and faster you get, and your hourly rate will increase.

CAROL: You'll also want to include the scope of that work in your project bid. I know many copywriters include two revisions in their rate, and then charge an hourly fee.

My policy is, "I write till you're ecstatic."

In fact, I have never written more than two revisions for anybody. I know how to get the information I need from clients to execute their project so they'll love it.

But when I bid, I want them to hear that I'm in it to win it. "You will be happy – I will continue until you are." The fact is, I get so much information out of the client that they usually take the first draft.

And I highly recommend that – get a ton of information so that you can kill it, and you don't end up trapped in a bunch of revisions. Then you can more confidently bid by the project without worrying that maybe you're going to end up not making a good hourly rate.

NEIL: Getting the particulars on a project is so important. It's one of those things you just have to do. It's not unreasonable; it's not unprofessional. In fact, it *is* professional.

CAROL: Neil and I are just crazy-passionate about writers finding ways to get what they're worth. It makes me nuts when I see people getting hosed because they don't have these negotiating skills.

11. Get it in writing.

CAROL: Understand that if you don't have something in writing, there is no obligation to pay you. Ever.

Get a document that outlines what you will be paid, how they can use your work, when you have to turn it in, and – most important, in my personal viewpoint – *when* you will get paid. A lot of people go wrong with payment clauses.

NEIL: Something that happens with freelancers is, you get excited and give away the store because you got the client. Then you look at it and realize, "Oh, jeez, I got screwed on that deal." So, make sure you outline what you're providing and what you'll be paid.

As you get used to doing this, it becomes easy. Get details on everything. If you've got a client you're going to be doing a lot of projects for, get an overview contract that covers

your schedule, your payment schedule, what you'll get, what you'll use, all that. Do it once, it's done, and then define individual projects or extra work as you go.

12. Know your rights.

CAROL: As a freelance writer, it pays to have a working knowledge of copyright and usage rights. Then, when you're negotiating, see if you can retain some resale rights, so you can potentially make more money from that piece of writing.

NEIL: Once, I sold a bunch of writing I did for one client to another client. You need to retain your rights to be able to do that.

CAROL: One warning: Don't get sucked into business owners' personal stories. So often writers will tell me, "Oh, my God, I love the owner of this business. I quoted her a low rate because she just survived cancer, and... blah, blah, blah, I love this organization's mission."

No. Don't drink the Kool-Aid.

NEIL: Absolutely. You're not a nonprofit. You're in business to earn a living, and you've got to get that mindset. And you have to do it right. What if you sold widgets? You'd need to make money on each widget, and being a writer is no different. You need to do the things that'll make your business profitable.

Making money isn't evil. I know a lot of creative types who think it is. They're also the ones with terminal anxiety, wondering how to make ends meet. There's nothing fun about having more month than money. If a writer's always worried they can't do their best work, that's no good.

CAROL: As you're working on your initial agreement, think about how you'll ask for a raise. Do a contract that has a 60- to 90-day initial term with an option to renew. That way, you have a natural conversation point two or three months out. "Oh hey, our contract's coming up for renewal. In these past few months, I've gotten to know everything you want me to do, and I've learned tons about your business. Here are my rates if you'd like to renew our contract and continue." You've become more valuable to your client, because they wouldn't want to have to train someone over again, given everything you now know.



Another great time to negotiate a raise is six-to-eight weeks before the end of the year, around November 15th. That's one of my favorite times to tell my clients I need a raise. The secret is to give them lots of notice. On November 15th, you say, "As of next year, my rates will be \$X."

Give them some lead time. It's not going up tomorrow, it's going up six weeks from now, or 60 days from now. I find that's the frog-in-the-hot-water technique, where they back-burner that because they're busy businesspeople. They don't have to act on it immediately, so it can just go off their radar. Later, they decide not to care about it, since finding your replacement would be too much hassle.

The other thing when you ask for a raise is to not shoot too high. I do know writers who have doubled their rates with super-low-paying clients, but that's rare. In general, if you go for a 10- or 15-percent raise, you won't get a lot of pushback. The smaller you go with the raise, the more likely they're just going to say, "Yeah, okay, fine."

A six-month or one-year anniversary is also a good point for talking raises. Or maybe you've worked for this client for ages, and you've never asked for a raise. If so, it's time to ask!

One thing to consider when you bring up a raise is, you have to be ready to walk if they say "no." If they say, "No, we're only willing to pay the old rate," you'll be their dog forever if you agree. Now, they know you have no self-esteem, and you're clearly not doing enough marketing and finding enough good clients where you can pick and choose your best ones. They know you're totally desperate. So, you can't be in that scenario.

How do you avoid this? Be realistic. Don't ask for the raise unless you're ready to leave if you don't get it. Then have a call to action. This is my stock script:

“As you know, it’s been X months since I started writing your newsletter. In that time, my rates have risen for other clients but I’ve kept yours stable, due to our established relationship.

“But, at this point, I won’t be doing client work at this rate in the future. Starting on [date that’s 6-to-8 weeks from now], my new rate will be \$X. Please let me know you agree by sending me your signed copy of the attached, updated contract.”

This is business. Keep it professional. The cost of living keeps going up. You deserve raises.

NEIL: Most freelancers seem to forget that milk prices have gone up, and gas prices have gone up – and the price of these items rarely goes down. You should be entitled to a rate that covers your expenses as a freelancer. Don’t be shy about asking for more.

One thing I like to do, as Carol mentioned, is to get with my clients in November or December for an account review. I take them out to lunch or dinner, and we review the year. What went well, I ask, and what can I do better?

Scary? Sure. But, ultimately, it strengthens the relationship. It’s a lot easier to ask for more money when there’s a strong relationship. Plus, if you play your cards right, you can book work for the coming year ... months in advance. How nice is that?

Q&A

How do I negotiate rates with an established customer? It’s a publication that pays me \$.09 a word. Do you ask for an increase in percentage, or cents-per-word? I’m also thinking of asking for ad space in a partial barter.

CAROL: The bad news is that publications have a rate they’ll pay. It’s usually a range, so maybe you could get a little more but they’re not going to start paying you \$.50 a word. My reaction is, if they give you a particularly complicated article assignment, I’d ask if I could get more for it.

If they’ve been paying per-word, I’d ask for it per-word, because that’s what they relate to.

The ad-space barter idea is kind of an odd one. It's not a deal I'd ever make. But if you think their ad space would get you in front of potential clients, it may be something to think about. But, in general, this is just a low-paying market, and likely the better answer is to find another market.

I quoted a project price for brochure copy, and the client responded that he should be able to swing that price but will need me to include some Web copy, as well. Naturally, I said, "Okay." How would you have countered that?

CAROL: Why naturally? What's natural about doing extra work for the same fee? Just refuse to do it. Say, "Yeah, I'd love to do your Web content, and since we're doing the brochure already, I'll do that for you at the discounted rate of \$X."

NEIL: Bingo.

CAROL: I just did that, with that client I talked about earlier – the one where I was advised to double my bid. They did a tack-on assignment, where they wanted me to do four one-page case studies out of the interviews I did for the big project. I gave them an affordable price on it, since the interviews were already done. But certainly not for free!

The secret is, I made close to \$400 an hour writing them. It was so easy, because I already knew the interviews well, as I had done them so recently. So, I was able to give them a low price, but earned well. When you see an opportunity to do that, do it. You look like a hero, and you're still getting a good rate.

I'm going through the "I don't have a contract" problem with a client. He keeps telling me what he expects me to do, and I keep saying, "I need it in writing."

CAROL: Just keep saying that until you have a contract. Some people think if they wait long enough, you'll start writing. Or, they're simply disorganized and not getting around to it. Just don't start their project without a signed contract.

NEIL: It's a "wearing-down" tactic.

CAROL: They're hoping you'll ignore the need for a contract and start writing, and then the door's open for them to forget to pay you. And you'll have no legal recourse if they don't. It's not a good idea.

NEIL: Look at these things from an outsider's point of view. Is this reasonable? I'm not sure. Is that reasonable? It may be okay. As freelancers, we tend to get a little too close to our business, and we need to step away a little bit.

How big of an upfront deposit do you ask for?

CAROL: Fifty percent's good. I did 30- or 40-percent on my last one, because I thought they were cool.

What do you figure your taxes?

CAROL: Look at your tax form from last year, figure out what your tax bracket was, and use that as a rough estimate for now.

When you figure taxes into your rate, remember to consider your overhead. A lot of writers don't think in terms of net income. They're thinking, "I'm grossing \$2,000," when, really, they're netting \$1,200. Try to guesstimate the net income figure for federal taxes. State taxes are often figured on gross income, though.

NEIL: Everybody makes this mistake when they get into freelancing. They think, "Oh, I've got a \$5,000 gig." But you're not going to net anywhere near that. You've got all this stuff you have to pay for, and then you're left with what? \$2,000? Look at things as a business with income and expenses.

Do you charge for the initial meeting?

CAROL: No. Everybody gets a free half-hour consult with me to get acquainted and define the project. Beyond that, if they want to go on and on about their business, at about 45 minutes in – or an hour, tops – I say, "You know, I would love to brainstorm with you about your branding and positioning and which copywriting projects you should prioritize. I charge \$100 an hour for that. I'm happy to set up a time to come back and do that. But right now, we're here to define this initial project."

Don't let them milk you for hours of free advice in that initial call or meeting. You have to guide them to focus on defining the project they want you to write. You might give them a couple little pieces of your wisdom, to give them a sense of the brainpower you'd

bring to their marketing, but that's it. Then it's time to bring it around to, "What is the project, and what could you pay for it?" The end.

It's often hard to make business clients focus, but you need to control that meeting, or they'll waste hours of your time. I know too many writers who take two-hour initial meetings, only to report that they still don't know what the project is – and now they need to hold *another* meeting! The longer this drags on, the more pregnant you get with this client. When you take four hours of meetings and then they finally reveal they want you to redo their 15-page website for \$200, you're loathe to say no, because you've already invested so much time. Focus on getting to a price conversation quickly, so you can qualify this prospect and move on if they don't have the money to hire a professional writer.

What do you mean by a "call-to-action" on raising rates?

CAROL: Once you tell them your rates are going up on X date, then you need an answer to whether or not they accept that proposed raise. You need to know whether you're dropping this client or keeping them, so you know if you need to be marketing harder and finding a replacement client, if you haven't yet. You want to know your schedule and what your income is going to be.

You don't want to just give them the news that your rates are going up, and then you're left wondering what to do – do I stop working on their account? Do I keep working and bill at the new amount now? Did they agree? That's why you're getting a new signed contract, or an "I agree" on an email, at the least.

If a client signs a contract but hasn't paid me the upfront deposit yet, do I contact them, or let it go?

CAROL: Don't start writing until the payment arrives. Assume it's not going to happen, and that they're flaking out. I would definitely get in touch and remind them that you will begin work as soon as that payment clears your bank account. Meanwhile, keep marketing.

What if a company has a set rate for articles?

CAROL: They're the wrong kind of client.

We don't like clients who only ever pay one price. You can still ask for a raise after working for them for a while. With some publications, you can get a bit more, once you're writing for them regularly. But it probably won't be a lot.

What if you ask for something upfront and they say, "No," and they only want to pay on completion?

CAROL: Then you have to decide if you're willing to take that client. Many freelance writers have a policy of not taking new business clients without an upfront deposit. Publications have a set pay schedule and don't pay upfront. It's hard to get them to pay other than on acceptance or on publication.

But I've negotiated that, too. I had one super-slow-paying magazine. They took six-to-eight months from when I turned it in, and that's if my article didn't get bounced from the planned issue to a future issue. It was absurd. I liked to call it the "half-past when the Messiah comes" payment plan.

I finally negotiated to get 50-percent of the article fee when I turned in the draft. That way, I was only waiting forever for half the fee. That's something you can do with annoying publications. But we consider it a real red flag if a business client will not pay anything upfront. It means they don't "get" how freelancing works.

NEIL: Often, they're not going to pay on the back end, or at best, they're going to be a headache to collect from.

CAROL: It's so much risk for you. You're putting in 100-percent of the risk. You're going to write the whole project and then hope they pay you? That's not a sane approach for running a successful, profitable freelance business, because, often as not, they're going to screw you. Some clients who say they'll only pay on completion are going to screw you. Just trust us.

When we did our survey for the Freelance Business Bootcamp live course, roughly 40-percent of the writers surveyed said they've had a client fail to pay them. It's common. We find that getting an upfront deposit screens out the kind of clients who are most likely to stiff you.

NEIL: Sarah Horowitz is the founder and executive director of the [Freelancer's Union](#) – they're a great resource on fair treatment of freelancers. You would not believe how many people have been screwed over by their clients. They have legal advice and sample

contracts – even some healthcare, retirement, and dental plans for freelancers, depending on where you’re located.

Any tips for keeping a client on schedule, to keep the original budget workable?

CAROL: I wish I could talk to your client and make them be less dysfunctional, but I can’t. What you can do is build precise terms into your contract that define your project and who is required to do what, so that, if they don’t fulfill their end of it, you don’t have to fulfill your end of it.

NEIL: Then, once you have that contract, stick to it.

CAROL: As a matter of fact, that \$2,000 rush contract I mentioned had a term limit. It said, “By Friday, I will deliver X. If you don’t get your act together and I can’t write it by then, this contract’s over.” And they had given me an \$800 deposit. So, they were motivated to get their background materials to me, and be available for the interviews I needed.

What I tend to do with clients who don’t keep to the contract schedule is present them with options. I say, “You know, that expert you required me to talk to is not getting back to me, so I’m doubtful about meeting your deadline. Do you want to put me with someone else, or do you maybe want to ding the guy and get him to respond to me? Or does this deadline need to move out a week? Let me know how you’d like to move forward.”

One tip is to give them a lot of notice that it’s not working. Don’t wait until the deadline and then complain that you didn’t get what you needed.

What about clients who expect to have access to me all the time?

CAROL: If you have clients who are boundary pushers who want you 24/7, stop responding. Don’t be available. Don’t answer your phone. Don’t answer your email.

Let them know you pick up email three times a day, and you’ll get back to them at 9:00, noon, and 4:00, and that’s all. Don’t be on Skype with them, or set your status there to “away.” You can train clients about when you’re available. They may not like it, but they will figure it out. Also, if they’re the kind who wants you 24/7 and you don’t want that, decide if you want to keep that client.

NEIL: We tend to get absorbed with the client's life, and maybe we feel they're nice people. So we bend our rules about our availability, and then it generally ends up biting us in the butt. Don't do that.

I work odd hours but don't want to give my clients the impression I'm always available.

CAROL: That's a good instinct. You've got to watch out about responding to emails at 9:00 p.m., or on Saturday. Because that trains your clients to expect a response from you at 9:00 p.m., or on Saturday or Sunday...and then they want a response 24/7 and get cranky if it's two hours until you do. You want to avoid this.

The fact is, there are a lot of pushy, needy people in this world who will take advantage if you don't define working hours. Run your business the way you want it to operate, and define your policies and how you operate.

NEIL: That doesn't mean they're bad people or bad clients. It's just that you need to have boundaries.

CAROL: A lot of people don't have appropriate, professional boundaries. They have unhealthy boundaries, and they just want to get-get-get from you. They want to see what-all they can get for their money.

NEIL: Usually, they're not even aware of it. Say, "I'm available Monday through Friday, 9:00 a.m. to 5:00 p.m. (or whatever it is), period." If they call at 6:00 p.m. on Saturday, you're not going to answer the phone.

CAROL: Don't be paranoid that you have to be available to clients all the time or they'll drop you. On that \$2,000 rush project I was doing, there was a lot of pressure on, and when we hit that Friday, a few things were still outstanding. I said, "I'm willing to let this hang over and work on it Monday, but I need to tell you that I'm shomer Shabbos. That means I'm an observant Jew, and I don't work on Saturday. You will not be able to reach me at all. I'm off the computer, off the phone. I don't conduct business." And they said, "Okay, we'll get it to you Sunday."

You can train people about when you're available. It's best to get a feel for how the relationship will work in terms of your availability during initial conversations with clients. At this point, I have a rule that I automatically say "no" to any new prospect who emails me at a bizarre time. If they email me at 10:00 p.m. on Saturday night to ask if I

could write for them, I already know they're not a client I want. They're going to want me 24/7, and I don't want to do client work nights and weekends.

NEIL: There's nothing wrong with saying, "These are my boundaries." That's okay. Carol and I are giving you express permission. Because they will push you for everything they can get.

It seems really different from car-sales negotiating. Can you explain how?

NEIL: There's a difference between selling a physical product and selling consulting or services. Those are two different things. The traditional car-sales model is aggressive and pushy. It's where the salesman tells the client what happens.

Consultative selling is a win-win model. That's what we need to do as freelancers. We come up with something that works for us and for the client. You sit down and hash it out.

Do you take competing clients?

CAROL: If my contract allows me to do so, absolutely. At one point, I was writing for both *Forbes* and *Entrepreneur*, for instance, and I've written for competing trade publications, too.

Generally, your freelance clients don't own you, like they would if you were an employee. They can't control where else you can work, unless you let them do that, contractually, with a "non-compete" clause. If your client does want a non-compete, try your best to define it narrowly – ideally, with names of specific competitors you can't write for, so that you're free to write for everyone else but their archrivals.

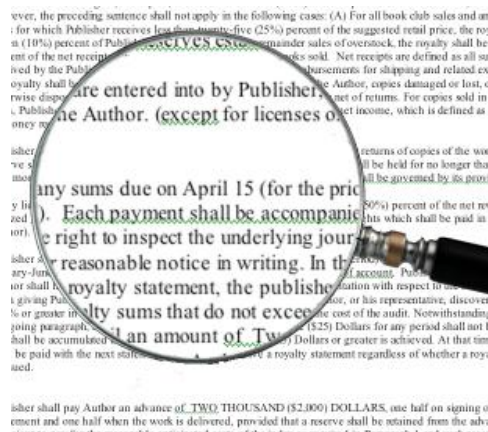


Chapter 3: Contracts 101

NEIL: Contracts are a part of doing business. A lot of writers don't like them. But when they're well drafted, contracts keep both parties safe, because they define the working relationship. They also ensure that everybody is clear on the various project terms and details.

It's important that you have at least a basic understanding of what contracts are all about.

The number one thing is, always, always, always read the contract. It amazes me how many people skim over something and sign it.



CAROL: That's me, Neil. I was a legal secretary for years and years, and tend to skim through these because I think I know what they say. And I shouldn't do that.

For instance, I recently discovered I owned some reprint rights to my Forbes posts. I'm lucky I asked a question and learned about that, because I've already made \$600 reselling those posts. So, don't be like me – actually read your contracts!

NEIL: While you're reading your contract, make sure you understand all the points. There might be some legalese in there, and some things may look utterly foreign to you. But take your time. Go through and get as good an understanding as you can.

Similar to Carol's habit of skimming her contracts because she'd worked in legal before, a lot of writers think, "Well, this is a good client. We're friends. They're not going to screw me." But if the client drew up the contract, I guarantee it's written to benefit them.

Be aware of that. They might be a good friend, but always read through the clauses and see that everything is right. Have you picked up on any red flags waving violently at you? If you need to, have your attorney review it, especially if it's for a significant amount of money. Take your time, and don't be intimidated by it. It's not rocket science. You can figure out what your contract means.

To make sure the contract is valid and legal, there are a couple of things it needs. A valid contract has an offer – what one party, your client, is providing in return for your work. Usually, the offer is money.

The contract must express an intent to create a legal relationship. That's a fancy way of saying both parties know they're entering into a contract. Acceptance means just that – accepting the offer on the table, without any further changes. It almost boils down to consideration, which is what the accepting party receives for their work. So, make sure those points are in your contract. They're usually pretty obvious.

You'll also see a lot of common things in contracts, and we'll go over the most common contract clauses for you.

20 Common Contract Clauses

1. Project Description and Scope

CAROL: This clause answers questions such as: What is the work? What is the word count? What exactly are you writing – a case study? A white paper? Three blog posts a week? The contract describes and defines it.



The scope may include that this work assignment lasts for 60 days, or that it's ongoing. You want the contract to be clear on all of this.

NEIL: That will help to avoid “scope creep” later on, where the client asks you to do more work without additional pay.

CAROL: Think about ways to nail down the details, because the more detailed you make this, the more it will protect you. How long are those blog posts? What is the word count of that case study? Will interviews be required? When is this writing due? How is it going to be delivered? Is emailing it as a Word doc okay? Or, are you going to be required to use their WordPress dashboard to format those blog posts and be responsible for adding photos and links?

Nail it all down. Otherwise, you'll think you're writing 300-word blog posts and, the next thing you know, you'll be writing 1,000-word ones and not getting paid any more.

2. Payment

CAROL: Payment is what you're getting paid. Simple enough. Be sure to double-check this figure, though – you'd be surprised how often you'll be told one figure on the phone, but something gets lost in translation when the secretary types the contract and the figure in the contract is different.

3. Terms

CAROL: Terms covers *when* your payment(s) will happen. Terms are a real obsession of mine. Cash flow is a big problem for a lot of freelance writers, and you solve this problem by negotiating favorable payment terms.

If it's a big business contract, you're hopefully getting 40-percent, 50-percent, or more, upfront, before you start work. On a big project, maybe there's a 30-percent milestone when you turn in the first draft, and the remainder of your fee is due at the end of the project. That last payment is where a lot of writers go wrong. If you're not careful, it can be a little vague when it's due.

What I prefer for final payment language is: "On acceptance/finalization of the final draft, OR 14 days after turning it in, whichever is sooner."

Why? Because with a flaky client, they might disappear after you turn in your final draft. Suddenly, they don't return your emails. They don't return your phone calls. They try to dodge the final payment, which is only triggered once they have said, "Yes, this final draft is great, and we're done here." Or, if you get them on the phone, they'll say, "Well, we're still reviewing it and haven't finalized it yet."

They might never finalize it. You might see it on their website and they're still telling you, "Yeah, we're still not sure about it." So, you want to make sure of a cutoff date, at which point you get paid. If they want to, they could dither about whether to use your copy for a year – or they might decide never to use it. Meanwhile, you don't want to be stuck waiting and calling them over and over, trying to scare up that final payment. That's why I have the two-week cutoff clause.

NEIL: A friend of mine wrote up a contract once where she completely separated the payment terms and the project deliverables. I thought that worked really well. That way, it's not tied directly to this or that deliverable, because delays happen and you might end up waiting six months or a year. We don't want to go there. So, if they have a project schedule, tie your payments to the planned schedule – and if they fall behind, that's their problem. You're still getting paid.

CAROL: Another way to go about it is to put a stop date. Just put "will be paid by April 15, at the latest." Sometimes, projects get put on the back burner. Articles get held for another issue of the magazine. Do your best to avoid a pay-upon-publication scenario. What if they never publish it? They accepted it, but they keep bumping it from issue to issue. It never comes out, and you never get paid. Hopefully, these examples help you see why payment terms are so important.

4. Schedules

NEIL: You want to make sure to document the project schedule. When will it start? What days will you work on it? What are the milestones and delivery dates? When is your first draft due? When is the final draft due? Make sure those are spelled out in the contract.

The reality of freelance writing is that everything takes longer than you think. You might get sick and be down for a couple of days. If at all possible, allow some wiggle room in the schedule, and get it written into the contract.

Also, spell out what happens if there are delays, whether caused by you, the client, or a third party. Negotiate that.

5. NDA (Non-Disclosure Agreement)

NEIL: Next is the non-disclosure agreement. At times, the client may request one of these, in which you promise you won't disclose any sensitive information about the company to the outside world. It could be product details, trade secrets, event dates – when they're introducing a new product, for example. Be sure the NDA terms and duration are okay with you. You don't want something that's going to handcuff you.

I'll throw in one little anecdote. I had a client who wanted me to sign an NDA, which I was okay with. But it was for 24 months, which was not acceptable to me. So, we went back and forth, and I got it down to six months. If they want a really long time, ask why. If there's a valid reason, maybe it's okay.

CAROL: I just did an NDA with a company preparing to be sold, and that fact in itself was secret. Their employees and competitors don't know, and it might change their chances of success if they did. The thing about non-disclosures is, you're hoping you can disclose you worked for the client, at least at some future point, so be sure to ask about that. Sometimes you can't, ever. You're sworn to secrecy.

The question to ask yourself is: "Why is this non-disclosure needed?" In this case, it's a private company disclosing revenue figures and projections of anticipated revenue, years from now. As a private company, they don't have to disclose that publicly. They want that kept confidential, only showing those figures to legitimate, potential buyers. It's a short-term contract, so I didn't see how it harmed me.

Sometimes, you won't be able to do the gig without signing a non-disclosure. That was certainly the case with this company. Read it carefully, and avoid having it constrain your career in any way.

6. Work-for-Hire

NEIL: Work-for-hire is one of my pet peeves. I feel they're almost always bad, evil arrangements. Agreeing to write work-for-hire means you give the client *all* the rights to your work – they own it. You may even lose the ability to show it in your portfolio. You can't put it on your website.



You want to avoid this. If you're thinking about signing a work-for-hire clause, read it carefully, because, in essence, you're like the client's employee, except you don't get the benefits — no insurance, no vacation pay. Virtually every writers' and creatives' organization frowns on them and condemns work-for-hire. So, make sure you read it through and understand what you're getting into.

CAROL: I don't have your violently negative reaction to work-for-hire, Neil. I've done tons of it. Not for magazines – you certainly wouldn't want to do that, because then you're not going to retain any reprint rights, which often allows you to earn more from your article.

Work-for-hire is not exactly like being an employee – they're not controlling your hours, or where you have to be. It's like being an employee, in that they own what you create, just like those poor guys who invented Post-It notes while they were at 3M, and then 3M owned Post-Its. They own your intellectual property.

But, the fact is, a lot of businesses will want what you write for them to be work-for-hire. They won't want to hire you unless they can own your copy, because they don't want to turn around and find it on some competitor's website.

Most of what I've written under work-for-hire clauses is stuff I couldn't envision reselling, anyway. It's so specialized to that company and that client.

So, tread carefully with it. There will be scenarios where work-for-hire will make sense.

NEIL: Yeah, Carol. I am violently against work-for-hire! If you're copywriting an annual report, or something like that, and there's no chance of your ever selling it to somebody else, then fine. But understand what you're doing.

7. *Non-Compete*

CAROL: Now we come to one of *my* pet peeves. Non-competes are extremely onerous and restrict your ability to earn a living. Never suggest one, if you're writing the contract. If you're sent a contract having one, define it as narrowly as you can, or get rid of it.

A non-compete clause says you cannot work for other clients in their sector, or in their geographic region, or both. A lot of non-competes specify a duration, and sometimes it's "in perpetuity," or two years after you're done writing for them. I believe there's a question about whether it's legal for non-competes to extend beyond the time you write for a client. It may constitute restraint of trade.



If the prospect says, "I want a non-compete where you can't write for any of my competitors for two years after this," I respond that I'm willing to not write for your competitors as long as I'm writing for you, but it can't extend beyond the length of our contract. That's absurd.

The thing to do here is to get at *why* they are asking for the non-compete, to see if you can narrow its scope. Dig a little, and often you'll find they have an archival, or maybe two, they don't want you to write for. You may be able to resolve it by saying, "Okay, Home Depot, I'm going to write for you and I will contractually agree not to write for Lowe's Hardware stores while I'm writing for you."

Now, you've only eliminated one future client from your prospect list. That's a lot better than signing a non-compete that says you can't write for any other home improvement company in the world, forever. It might also be that your client is a local business concerned with local competitors, and you could agree to not write for any other independent hardware stores within a 100-mile radius of your client. That leaves you the entire rest of the world to pitch outside that town.

To sum up, strive to limit the scope of businesses you can't write for, and vigorously resist signing non-competes that extend beyond your contract's timeframe. They're just unfair.

8. Copyrights

NEIL: Copyrights are valuable. So you want to have a working knowledge of how they work.

First of all, you don't even need to fill out the form and send it to the U.S. Copyright Office with the \$35 fee. Copyright is vested with the creator of the work upon completion of the work in tangible form. And saving it to a hard drive counts. It's yours.



Rights are like a pie. You can cut them up in different ways. Often, you can use copyrights as leverage on other contract points. You might want to register your work with the copyright office only because, if it goes to court, copyright infringement awards are typically higher for work that has been formally copyrighted.

CAROL: While we're talking about copyrights, think also about reprint rights that might trigger additional payments. I've benefitted from those at the *Writer's Digest* publishing group, FW Media. I've written articles for their book, *The Writer's Market*, and they decided to reprint them in the *Digest*. I got paid another \$150 apiece for them.

Any time you're writing for a magazine, ask if they have other products. Maybe they put out an annual guide, or they have a book division that compiles their articles into books or how-to guides. *Entrepreneur* also has a newsstand-only quarterly called *Entrepreneur Startups*, and I've been reprinted there, too.

If a client has any other products, it's always good to ask what happens if they want to reprint it in another product. Try to get a reprint fee into the rights portion of the contract. Personally, I'd like an extra couple hundred bucks for that, please.

9. Grant of Rights

NEIL: Within a lot of contracts, you'll see a clause called grant of rights. That's what you're doing – you're saying, "These are the rights I'm giving you." Be specific, because you will have opportunities to resell or adapt the work for other markets or uses. My mantra is: Invent once, sell many.

Copyrights can be worth a lot of money to you if you look at the long-term. So, be careful what type of rights you grant them.

CAROL: This is a great area to push back on – could I have reprint rights to this after 90 days, or a year? Could I keep the right to use it as a blog post, or sell it into a foreign publication in another language? There's no harm in asking, and you could end up retaining valuable rights.

10. Warranties and Indemnifications

CAROL: This is the clause where the legalese tends to get thick. So, let me translate this a bit.

The warranties and indemnifications' clause protects your client from getting sued over what you write. These clauses are all about protecting them and putting legal liability onto you. So, read this clause carefully.

The warranty is your guarantee. You're guaranteeing that you created the work, and you're not plagiarizing. It's not infringing upon anyone else's copyrights.



Indemnification means that, if you knowingly did something wrong in that project, or you unwittingly made a mistake – you lied, you made up sources, you plagiarized, you misstated something – and now a source is angry and that magazine or company gets sued, you will be defending that lawsuit all by yourself.

You may be thinking, “Oh, I’m writing for the *Wall Street Journal*, they’ve got big lawyers to back me up if something goes wrong.” Nope. Not unless it’s their editorial error. The client’s attorney inserts these clauses to protect the client from future legal expenses. And, in a way, that’s fair, because your editor isn’t at your house, standing there watching what you’re doing.

Warranties and indemnifications’ clauses ask you to testify that you’re an ethical person. You prove you are by assuming this liability.

You’re probably realizing why you need to protect yourself and your business, and why we spent so much time discussing reasons for forming an LLC. For the second [business book I wrote](#), they had this clause, and it’s totally on me if anybody sued over anything I wrote in there. That made me very nervous, as I wrote about many public and private companies. Some of them didn’t talk to me and I had to rely on research, or past interviews I’d done. It was at that point that I got an LLC for my business! Hopefully, that illustrates why this is an important clause to watch.

11. Conflict of Interest

CAROL: Conflict of interest is another one that gets writers into trouble. They’re going to ask you to declare that you don’t have any conflicts of interest in signing this. That means, no other contracts you’ve previously signed that might prohibit you from signing this one. This clause makes you swear you don’t have a contractual relationship, personal biases, or insider knowledge of anything that might pose a conflict with this new writing assignment you’re about to undertake.

For instance, say I have a contract with a non-compete clause to write for a widget company. Along comes a similar widget company that wants me to sign a contract. Now, I have a problem. I'm not really free to sign that contract. If I sign it anyway and one of those widget companies finds out, I'm going to be in big trouble and may not get paid.

If you're signing magazine contracts with a conflict of interest clause, it's because they want to make sure you're not secretly in the employ of the business you're pitching an article about. That's a big ethical conflict you must avoid if you're writing as a journalist.

Make sure you're not pitching that your best friend's business is amazing. Anything like that, where you have a connection to your subject, or a vested interest in saying something good or bad about something, is prohibited in journalism. Disclose anything that could even remotely pose a problem. Just say, "This source turns out to be someone I don't know well, but I've learned they go to my synagogue. Is that okay?" That's an actual situation I once had with an *Entrepreneur* piece. You'll be surprised how often magazine editors will say they don't care. But never go ahead without disclosing your conflict.

Don't sign this clause without thinking hard about whether you know anything that could possibly be considered a conflict of interest in this assignment. If there is, disclose it before you sign.

12. Relationship of Parties

NEIL: This clause explains you and your client's relationship, a kind of first cousin of work-for-hire clauses. As a self-employed person, you're not an employee. Make sure your contracts say you're an independent contractor. Follow IRS rules to make sure, at the end of the year, that they classify you as a freelancer and not someone's employee. Clarifying that you're an independent contractor will keep you safe.

13. Governing Law

CAROL: This clause says, if there's ever a dispute between you about some contract provision, it will be adjudicated in, and according to the laws of, a particular state. If you don't live in that state, this could be a massive pain for you. Personally, I like governing clauses that require mediation or arbitration for disputes, before anyone can sue. That's a better way to go. Often, there's nothing you can do about this clause – it may be standard language their legal team insists on – but be aware that it can come back to haunt you later. It doesn't hurt to ask if the laws of your state could apply.



14. The “kill” fee

NEIL: Your contract may have a clause relating to a kill fee. That’s the amount you’ll be paid if the project is cancelled or not used by the client.

An example is an editor who doesn’t want your article. They assigned it to you, but now they think it’s not up to snuff. At that point, you want the kill fee, which is usually a percentage of the original fee you were promised. It could be as high as 50-percent, or as low as 10-percent. Sometimes, the fee is based on how far you’re into the project. Especially if you’re making a boilerplate contract to send your clients, be sure to include a provision for a kill fee, because you can’t control everything.

15. Duration

NEIL: How long will this contract be in effect? Will it tie your hands for the next couple of years, or longer? That’s generally bad. Make sure that contract is for a reasonable amount of time.

CAROL: Also, sometimes you can charge more and/or bail on the project if the client drags their heels and this contract term expires.

16. Termination

NEIL: Termination is simply what it takes to void the contract. A lot of contracts say they can be terminated within 30 days of both parties agreeing and signing documents to

that effect. It's always a good idea to include some kind of termination clause that will work for you, especially for ongoing work.

CAROL: When I was ready to end my blogging gig with *Entrepreneur*, I had to write for them for 30 days after I gave notice. It was in my contract, to give them time to find a replacement and ensure a continuous stream of posts. I wish I had challenged that when I signed it! Be aware of what your obligations are when you decide to wrap a long-term contract.

17. Edits

CAROL: This clause defines who has the right to edit your work. Will you make edits, and, if so, how many rounds of edits? Who do you report to? In a lot of copywriters' contracts, two edits are included in the fee, along with a defined hourly rate for additional revisions.



I personally have an “I write until you’re ecstatic” policy, which I find delights clients. The secret is, I’ve never had to write more than two revisions. If you’re an experienced writer in the type of assignment you’re taking on, you won’t usually have to revise and revise.

I do like to define a point person in the contract. That way, if they want to gang-edit you – a team of five who want to weigh in – then everyone sends their edits to your point person to consolidate, so you’re not getting potential conflicting edits from multiple people and version-control problems. I’ve found that’s a great thing to specify in the contract, and it saves stress later.

18. Rights Enforcement

CAROL: This is a great clause, because you don't want to have to enforce copyright violations, especially on work you did for-hire, or for magazines or blogs. I found that out when writing for Freelance Switch (now [Envato Studio](#)). I wrote whole packages and bundles of things for them, and the great news is, when your blog post for them gets scraped by junk websites, their lawyers will deal with it.

My Freelance Switch posts were always popping up on junk sites. They had an online form I could fill out and pop in the offending URL, and they took it from there. I loved that, because rip-offs enrage me. I'm sure many other writers are stressed to find that something they wrote wound up on some crappy website. With the client down as the rights enforcer, I was free to move on and not spend time stewing about these violations.

19. Right to Use Your Likeness

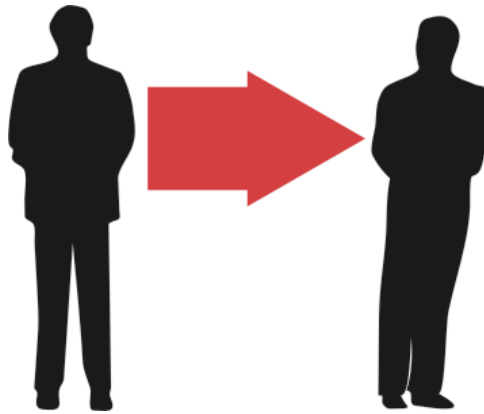
NEIL: Many contracts have a clause for obtaining the right to use your likeness. This is essentially about marketing. They want to be able to take your delightful mugshot and plaster it all over God's creation to promote what you wrote. Carol and I have pictures on the backs of our print books, for instance. That's what this deals with.



You want to make sure that they're not going to do something outlandish with your likeness, though. I wrote an article for the graphic-design publication *HOW Magazine*, and they asked for my mug shot. When I got that edition, I saw they'd used it to create an illustration of me! Which I thought was a hoot. But know that they can do things like that, unless you specify they can't.

20. Assignability

CAROL: You'll run into this when a magazine that's part of a big publishing group, such as Meredith or Condé Nast, is sold to a different magazine group. Suddenly, if your contract was assignable, it's owned by somebody you never talked to and may not like. I strive to get this clause eliminated. I don't really want my work bouncing around to someone else in the future, without having input on how they might use it.



Contract Do's & Don't's

NEIL: **Keep the contract as simple as possible.** If you're providing the contract and it starts getting weird or overly long, edit it down. You want common, easily understood language.



Take your time. There's no problem doing that. Give yourself time to gain a clear understanding of each clause. If something's not clear, get with your attorney. They won't charge a lot for that and it won't take long. It didn't even take an hour for my attorney to redo some contracts for me.

CAROL: Don't cave to scope creep. Now that you have a contract, use it to avoid scope creep. If your client suggests something that's outside the scope of your contract, don't do the work. Stop what you're doing and say, "That's outside the scope of my contract. Would you like to amend it?"

NEIL: Don't be pressured. If you're in a situation where the client is pressuring you to sign an agreement, there's a reason. Go slowly and don't throw away your rights. Understand what your licensing and usage rights are. Keep as many rights as possible, and don't assume there's never going to be a dispute.

CAROL: Don't hold your copy hostage to a payment. That's not common practice, and it's not professional. You need a relationship of trust with your clients. If you've defined your contract rights, you'll know exactly when your payment is due.

Neil sometimes takes an approach I think is great – if there's a rights transfer involved, he makes that a separate addendum to the contract and doesn't sign and return it until the final payment is received. So, that's one way to help compel that final payment.

Contract Red Flags

NEIL: The following are considered contract red flags:



Vague project details.

NEIL: If your client can't articulate what they want, or if they're wishy-washy or clueless, think twice about accepting that project. You're almost guaranteed to have trouble down the road.

The client refuses to countersign the contract.

That indicates a trust problem. Could you enhance that trust? Also, make sure to ask why they're not signing. Then, see what you can do to fix it.

Client wants all rights for next to nothing.

Always negotiate usage rights before starting the project, and be clear what you're selling. Most clients don't really have a clue about copyrights, particularly small- and mid-sized businesses. But a little education can help you avoid a load of headaches. Some less-scrupulous clients might know about rights and try to rip you off, too.

Pay on publication.

CAROL: Watch out for this, as sometimes, that's your ticket to never getting paid, if the company or publication ends up not using your work.

High pressure to sign.

NEIL: This is often a sign that this won't be a good situation. Good clients allow enough time to read the contract.

A lack of company contacts.

If you have only one person, that's generally not good. What if your primary contact drops dead? What if they leave for vacation? What if they quit? All kinds of things could happen. So, make sure you've got additional contacts.

Bad gut feeling.

If the prospect just gives you the creeps, turn around and run. I hear about this one all the time. If your gut doesn't feel right, don't do it. More often than not, gut feelings turn out to be correct.

Q&A

How often do you find a client doesn't pay you?

CAROL: I've almost never been stiffed. If you know [how to qualify clients](#) and they pay you an upfront deposit and sign a contract, generally, they're not clients who will hose you.

If you email back and forth with a client and they say, "I accept," is that legally acceptable?

CAROL: My understanding is that it is.

You hopefully saw our legal disclaimer at the top of this e-book. If you're worried, ask an attorney. We are not lawyers.

But I can tell you that, when I was working for American Express, that's how they did all their contracts. I figure they have access to plenty of legal expertise on how to execute a contract. And they would just send their contract and say, "Please return this and type 'I agree,'" and that was it.

Email acceptance can also be nice because it dates things and creates a paper trail that I've seen used in court cases. You do want it in writing and countersigned by them. Don't forget --- after you sign it, you're not ready to write until *they* sign it.

If you're a client or customer of a business you want to write an article about, is that a conflict of interest?

CAROL: Not usually, but I'd disclose that you shop their stores. Just be upfront. Err on the side of disclosure.

Can you use a “time is of the essence” clause regarding payment dates?

CAROL: I cover that with the late fee. That tells them time *is* of the essence, and if you don’t meet the timeline, I’m going to charge more. We talked about tricks to get that final payment, and not transferring copyright until you have it.

A client asked me: “What happens if you die after I pay, but before you finish the work?”

CAROL: I believe he has to sue your estate. That’s such an outlandish thing, though. I’ve never heard of a situation where it happened. Maybe you’d see it on a book contract.

Do some companies have long billing cycles? Might they require you to invoice a billing account?

NEIL: If you go into a project with a client like that, and you know it’s going to be a long time till completion, negotiate or include in your contract to invoice at the start of the project, rather than at the end. That works like a charm. It sounds outlandish, but it works.

Do you retain any rights if you do a work-for-hire contract?

CAROL: No. They own it.

I’ve heard a non-compete also means you can’t work for the same client within a specified period of time. For instance, if [the agency] Ackland hires me to write copy for Bristol-Myers Squibb, then I cannot work directly for Bristol-Myers Squibb. Is that true?

CAROL: Yes. That’s pretty typical. I don’t think you’re going to get out of that.

If it’s a client they introduced you to, they’re going to own that relationship, often for years. And that’s only fair. It’s not cool to cut them out of the deal, when they’ve put you together with that end client.

What's your advice when you're presented with a work-for-hire contract but you could see publishing it elsewhere?

CAROL: Just ask if you could rewrite the contract. Ask them if you could sell it in foreign markets, in another language, or after a year. See if there's a way to get your hands on some rights and take it out of work-for-hire, where they own all rights.

Can I include something in the kill fee that if they pay 50-percent, I maintain ownership?

CAROL: Sometimes, rights will revert back to you if a publication kills it. Or, it might say that, if they pay the "kill," they own it. Read it and see what it says.

How do you determine the kill fee?

CAROL: Usually magazines have a set fee. I've never had to calculate it myself. I don't know, do businesses have a tradition with it?

NEIL: Not that I've ever seen. Basically, you try to get the best deal you can.

Virtually all the magazines I write for have a "we pay 30 days after publication" clause. Can I push back on that?

CAROL: Heck, yeah. I have renegotiated pay-on-publication clauses to get half when I turn in the first draft. Or added, "or five months from now, whichever is sooner," so that if they keep delaying when it's coming out, you don't wait forever.

So, what do you do then? Just cross that clause out and offer a substitute?

CAROL: Yes. I have crossed out clauses and we've both initialed them. Or, I've had them send me a rewritten contract with new language.

Do you think one year for a non-compete clause is normal?

CAROL: This is a great question, because I'd like everyone to know that there is no such thing as a "normal" or "standard" anything in freelance writing. It's all negotiable. Don't let clients tell you, "Oh yeah, that's our policy, and we never change it."

In my second print-book contract, I changed many provisions they said were standard language. They wanted to pay my advance a year after I turned in the draft! There were all these crazy clauses I got rid of.

NEIL: I've written for the same publisher, and I had my attorney go over it. If any of you are writing books, it pays to get a membership in the [Author's Guild](#), because they'll hook you up with an attorney for free. The dues are \$90 a year, at the time of this writing. It would have cost me three times that if I had hired an attorney on my own.

I went back to my editor with loads of stuff I wanted changed. I thought, "He's never going to go for this." But he did – he agreed with everything except for one point that was out of his control. I was stunned. Don't be afraid to negotiate! If something doesn't set right, bring it up and try to get it either taken out or reworked into a provision that's going to be better for you.

I just realized one contract I have was never sent back to me with a countersignature. Does that mean it isn't valid?

CAROL: Sorry to say, but yes. It's not in effect. Go to them now and get it signed. Just say, "Oh, gee, I just noticed we overlooked this. Can you sign this and send it back?" You've got nothing there, if not protection.

How do you handle a contract through a third party? If I write copy through a photographer who's doing work for an end client. Who countersigns my contract?

CAROL: Usually you'll be signing a subcontracting deal with that photographer, if they are hiring you to write for their client.

I recently sent a PDF contract via email to a new client in Kuwait and noticed a button that let me use [Adobe EchoSign](#).

CAROL: More and more people are using electronic signature options, and that's totally great. There are many tools you can use, such as [DocuSign's eSignatures](#).

Would a letter of agreement do for smaller jobs?

CAROL: Sure. My blogging contracts are pretty basic. You don't have to do up a contract that has warranties, and what jurisdiction you'll sue each other in, and all that boilerplate stuff. In most cases, none of it's ever going to matter, and you can just keep it short. If you're writing the contract, feel free to make it contract-short.

What do I do about a contract with ongoing clients I do a lot of projects for?

CAROL: I had this with *Entrepreneur*. I was writing features for the magazine, and I was blogging for them three times a week. What you want in this scenario is an overarching contract that covers ongoing work, such as the blogging. Then, create Schedule A attachments for each additional project that you initial. For instance, when I'd get a feature-article assignment, they'd send over a one-page addition for that assignment that we'd both initial. Often, the blanket agreement is renewable, annually. So, you can come back around and tinker with the terms.

Do you start work when you're sending the contract back and forth with changes?

NEIL: No. Absolutely not.

CAROL: When it's signed and done, then we're ready to go. My slogan is: "Your deposit check and signed contract starts me writing." That's the moment when I consider them a client.

Before then, if you want to run your business right, go with the assumption that this deal is going to fall apart. This is not a client yet. Don't reserve time for them. It's not a done deal yet. There's so much crushing disappointment and lost income for writers who get all excited and stop marketing because they think a client is about to start working with them...and then the deal falls apart.

If I have issues with the contract, can I intervene before asking for their countersignature?

CAROL: That's the only time you *can* intervene. Once you've signed it and they've countersigned it, it's over. You need to raise your objections before you sign it and send it back to the client.

What is a Schedule A?

CAROL: It's an additional sheet that you add to the contract, beyond the original signature page. The main contract should indicate there will be additions made to define specific projects.

The idea is, you have a basic, underlying agreement that you're doing business together on some ongoing work, such as blog posts. Or, maybe it's two press releases a month, or a monthly newsletter. That's covered in the main agreement, because we know it's going to happen every month. Then we define other one-off projects as we go, with Schedule A additions.

What's a reasonable time to wait before renegotiating a fee, if you haven't stipulated any timeframe in the original contract?

NEIL: It really depends. Maybe three months, or six months. It would depend on what the situation is. Then, you'd have to throw out some ballpark numbers and negotiate and find a figure everybody feels good about.

How do you handle rights for writing blog posts for a client?

CAROL: They're usually work-for-hire. They aren't going to pay you \$100 or \$150 a post if you're going to resell it to five other small businesses. What you can do is recycle those topics and do what I call self-plagiarizing. You take all those same topics and rewrite them.

NEIL: I do that all the time.

CAROL: Just write a fresh, new article on the same thing. It'll take you 15 minutes to rewrite every sentence. Now, it's a new article.

Ideas are not copyrightable. You can always reuse your ideas. I have rewritten some topics four or five times over the course of my career. I have some dorky business-finance topics, such as [how to use ratio analysis](#) to track profit trends in your business. When I get asked to write on that topic again, I just rewrite a previous article and create a fresh article. Headlines aren't copyrightable, and ideas aren't copyrightable. So, you're always free to rewrite.

If you're doing ongoing work, such as monthly blog posts or a newsletter, how do you handle the upfront payment to get started working?

CAROL: I usually get 50-percent of the first month's fee. If I'm doing four posts for \$500 a month – which was my standard entry-level deal for blogging for several years – then the client sends me \$250 as a 50-percent upfront deposit. I'm going to bill them for \$250 at the end of that month, and then, from there, I'll just bill them \$500 at the end of each month.

Can you try to give the client first rights for a certain time period?

CAROL: You could try, but if they're paying a decent wage, I don't think they're going to agree. The whole reason they're paying good money is to develop unique content. They've probably read enough about content marketing to know that unique content is vital in delivering unique value to readers. As a result, there's a lot of resistance to allowing resale of anything you're developing for business clients' websites.

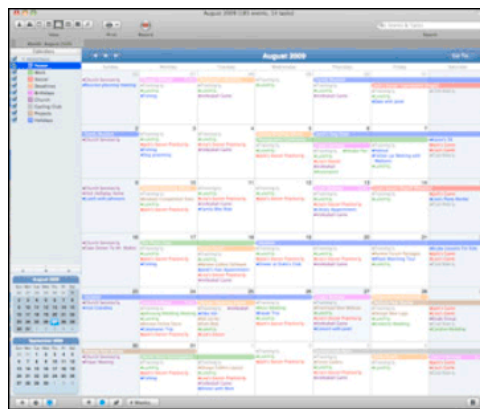


Chapter 4: How to Manage Clients and Projects for Profit

Workflow tools, project rosters, project folders, and project calendars

NEIL: Starting out as a freelancer, it's pretty easy to keep your first clients and projects on track. But once you start getting four or five clients, you've got to juggle and manage all these clients and their deadlines. That's what we'll cover in this chapter – effective client management. To succeed at this, you need to develop a workflow system for your projects.

Typically, a workflow system involves project numbering. For example, I use numbers such as 0414-0888. The 04 stands for April, and '14 is the year. The 08 means it's the eighth gig I got that month, and 88 is my own numeric code. Then, I use my client's initials. It keeps everything nice and tidy.



You should also develop a project roster. Enter all your projects onto your project roster, which is usually done through a spreadsheet and physical project folders. Project folders

are important, and people don't think of that until they get stuck hunting through piles of papers, unable to find what they want.

Everything associated with a project goes in its project folder. Period. Religiously. I use preprinted folders from an office supply store. They're preprinted, and they have areas for the project, the description, all your contacts for this project, and notes. It's handy to pop everything into one place.

Beyond that, you're going to have to prioritize your projects. How will you do that? Start with your priority criteria. Is it the fee that you're getting? Is it the brand cachet of the client? Is it a particular deadline?

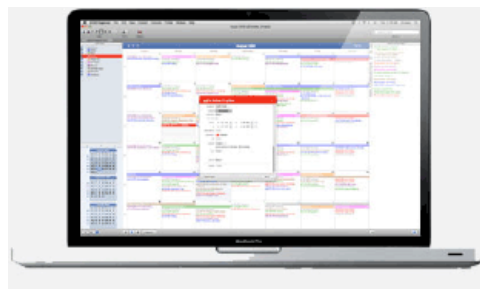
Most of the time, the best way is to prioritize by deadline. Otherwise, you can get yourself in trouble, and clients won't be happy.

Another thing I don't hear too much about from freelancers, but our friends in the corporate world are inundated with these, are status reports. A status report is a brief memo that documents your project's progress. Where you're at now, and often, what's needed next. It doesn't need to be a formal thing. An email can do the trick.

We're going to be talking about some project-management applications and software. Some platforms will have areas where you can document all of this. You want to have everything in one place, so you know and your client knows what's going on. If you ever end up in a dispute, or worse, get pulled into court, that documentation will come in handy to show how you kept the client informed on their project's progress.

The next thing to have for effective client management is a project calendar. I've had a variety of these over the years. Essentially, it's a calendar. You show each task, when it needs to be started, how long it'll take, and when it needs to be completed. The trick is to take your deadline and work backwards.

Working backwards from your deadline, enter all your milestones, deliverables, and other important dates, such as when your client will be out of town and unavailable. When I started my business, I used a custom-made wall calendar that helped me a lot.



It was huge. But it gave me the chance to look at everything all at once, and move things around, as needed. Now, we can do it with digital calendars, such as [Google Calendar](#) or [iCal](#). The other important thing as you lay out this calendar is, allow some extra time.

Everything takes longer than you think it will, especially when you're first starting out, so give yourself some breathing room. You should schedule stuff that you're going to work on by the day. In other words, what are you going to work on tomorrow? Put that on your calendar. If you can do the work the day before, that's great.

If you can do the writing the week before it's due, even better. Whatever your tasks, put them on there, so you can see at a glance how things are stacking up, and what needs to be done. Those are the basics, as far as getting a project workflow system in place – a workflow system, project roster, project folders, and a calendar.

Then we come to managing the clients, themselves. When you start, you're just managing a client or two. Then, you wake up one day and realize you have 10 or 20 clients you're juggling over the course of the year.

Soon, you're wondering: Who comes first? What'll I do next? One way to deal with this is to use a client relationship management (CRM) application.

One of the most popular ones is called [Act!](#). I use one called [SOHO Organizer](#). Chronos puts it out, and I've used it for years. Everything I do goes into it. It's got an integrated calendar. Act! has the same thing.

There are also contact cards in the system, where you can put in all your client information – and it's not just name, address, company name, and telephone number. You have fields for their spouse's name and kids' birthdays, and you can set alerts to remind you of those dates. You can send a card or keep in touch. It's a handy thing. There's also an integrated way to post your meeting notes.

You could ask me what I did on April 4, 2002, and I could tell you. It's a great way to keep track of everything. These platforms can integrate your emails, or link to various documents related to a project. They're worth their weight in gold.

Another tool you might want to look at is a project-management app. I had one called [Open Project](#), which is an open-source project management tool. I use it with some of my clients, but the one I use most is [Basecamp](#). They offer a free, 60-day trial. It keeps all your correspondence and milestones in one place. And it's password-protected.

You can even brand it with your logo display. You can give your client access to it and collaborate on documents. You're both able to see what materials you may need and when, and all the project milestones and deliverables, all in one spot. It's handy.

CAROL: I've worked with a lot of clients in Basecamp, too, and I love it. Some of the other ones I've seen are [Salesforce](#), [Sugar](#), [Nimble](#), [Trello](#), [Asana](#) — there are a ton of these.

My big piece of advice is: Don't get bogged. If you prefer to print things and keep them in physical files, or handwrite your project calendar on an erasable whiteboard, do that. Track them off a Word document, if you like. The main thing is, pick a system you'll *use*.

Don't feel you have to use some complex software, just because other writers do. Through my busiest freelance-writing years, when I was juggling the most clients, my tracking sheet was a Word document, and I had physical files. That was fine for me.

Later, I started using my online calendar to plug in deadlines and times by which interviews or drafts had to happen. At one point, my teaching partner, Linda Formichelli, of [The Renegade Writer](#) blog, was using [Evernote](#), and then she decided it didn't work for her to track things there. Experiment and see what makes sense for you.

NEIL: Just because it works for the writer next door doesn't mean it's going to work for you. Try out a variety of things to see what you like. If it doesn't work for you, you're not going to use it. There are loads of options available, but find something you like, and stick with it.

It's important to develop a working system. It can make your life a whole lot easier, and enable you to handle more clients at once. I had one buddy who was a copywriter, and his thing was making lists on legal pads. It worked for him. Now, we've got digital options. Use one of them, and it'll save you a lot of time and aggravation.

CAROL: Increasingly, clients want to work collaboratively on a platform and prevent version-control problems by sticking a document in Google Drive or Basecamp, where everyone can work on it and see each other's changes in real time.

If you're just getting into freelancing, this is something to keep on your radar. Clients may well request that you work with them via an online platform. If that happens, just say "yes." These platforms are easy to learn, helpful and efficient for getting things done without confusion. Usually, there's a short training video you can look at, and then you'll be up and running.

NEIL: You might find it useful to email your clients and say, “I’m looking at updating my project management software. What do you use?” Maybe half your clients are using the same thing, and it’d be beneficial to use it.

Client communication

NEIL: This one is a big favorite of mine, in new-client setup: How will you communicate? Clients are looking to use online and cloud-based tools such as Google Docs, Basecamp, or Skype.

One of my questions when I’m first interviewing a client is, “What’s your preferred method of communication?” Some people email, some people make phone calls, some people text. For example, my son has decided that the only way we’re going to communicate is for him to text me, and I hate texting. But if I want to work for this client, that’s what I’ve got to do. If your client’s preferred method is something you’re not comfortable with, you may be able to work out a different plan

CAROL: I’ve into using alternate platforms myself, recently. You may know that besides being a freelance writer, I’m running a business, [Freelance Writers Den](#). A team of people work on the Den and on my classes. Recently, we all moved from sending each other 100 emails a day to a group Skype chat. It’s been a life-changer. I’ve moved most of my freelance client interaction there, too.

It’s more interactive and conversational, and it eliminates compulsive email checking, which is a major time-waster. When you’re managing projects with clients on email, it makes you feel you need to pick up email ten times a day. “Oh, maybe they sent something,” you think. It’s a big problem.

Now that all of my client interaction is in Skype threads or Basecamp, it’s fantastic. I pick up email once or twice a day, at 9:30 a.m. and maybe not again the rest of the day. That’s such a productivity booster, it will blow your mind.

NEIL: Be sure to keep clients in the loop. I’m amazed at how many freelancers don’t do this. They’re signing your paycheck, so it’s a good idea to keep them abreast of what’s going on. Send status reports. Because clients don’t like surprises – unless they’re really good ones, like you’re coming in at half their budget.

As long as you send regular communications – such as a formal status report or something a little bit looser – it helps flag any issues before they become major headaches. Put together a system for that.

Ensure that both you and your client are crystal-clear about all points. A lot of times, when we do something repeatedly, we think, “Well, everybody knows that.” Well, they don’t. It’s a big part of your job to ensure that everything is clear. When a client is giving you information, come back and say, “If I understand you right, you’re saying *this*.”

That’s another way to flag any potential problems before they become headaches. Also, ask your client to state *their* understanding. You want to make sure they know what *you’re* talking about – the terms, the important goals for the project. And ask questions. There’s a saying that applies here: the only stupid question is the one that wasn’t asked.

Don’t be afraid to ask questions. And always document any changes and edits. This is where a change order comes in handy. Make sure it’s signed and that you pop it into the project folder, so you can always find it. Document what they’re asking for.

That makes it a lot easier when you say, “Well, you’re asking for this change, or revision or addition, and it’s going to cost \$X.” Write a change order and make sure your client is on board with paying the upcharge to prevent any troubles down the road, come billing time.

How to manage multiple clients – and grow your business

NEIL: As I said earlier, freelancing is great when you maybe have one or two clients. But, pretty soon, if you’re doing things right, you’re going to have four or eight clients, or more, and you’ll have a bunch of projects to juggle.



How will you prioritize them? Who gets attention first?

Typically, if you have retainer clients, they're usually first in line. Your retainer agreement guarantees a set amount of pay each month, partly in return for the pleasure of being your top priority. Or, it may be that your highest revenue client is first in line. Or, it could be it's the most complex or highest-visibility project. How you determine that is your business, but have a method for prioritizing your work and your clients.

The thing is, every client wants to be first in line. They want to know they're important to you, so make them feel that way. Frankly, make them feel that way even if they're *not* really your top client.

Keep in touch with past clients, even when you're not working on a project for them. Maybe it's been a couple of years. Give them a call or shoot them an email and say, "You know, how're you doing?" Or invite them out to lunch. It'll make your client feel good about the relationship (and that lunch is a tax write-off). You can also use those meetings or emails to get other gigs from them.

One strategy I use, which I mentioned above, is an annual review. Sometime around the holidays, I'd get together with them. The holidays are always a good time to say, "Hey, let's get together for lunch and catch up." Then, I ask what's coming up next year in their business. Are they attending any trade shows, where they'd need brochures? Are they doing any major changes to their website? A lot of times, I schedule work out for myself six months in advance, because I knew early on what they were doing.

Another thing I did when I met with a client – and definitely with a first client meeting – is carry a stack of notecards, envelopes, and stamps in my car.

After taking a meeting, I'd go back to my car and fill out a note. "Hey, thanks for meeting with me today, blah, blah, blah." I'd address and stamp it, and pop it in the mail on my way home. The reason that's important is, it'll make a big impression, because nobody does that anymore.

Think about it. We email, we text, we call. When was the last time someone snail-mailed you a handwritten, personal note?

CAROL: *Nobody* does that! I love your idea of doing it right away so you don't forget.

NEIL: Just make it part of your process. Your client will be bowled over. It's pretty much guaranteed they're going to think of you first.

CAROL: I want to add one thing about managing multiple clients. I keep a folder on my desktop for when I'm done with a client project, and I don't have anything coming up

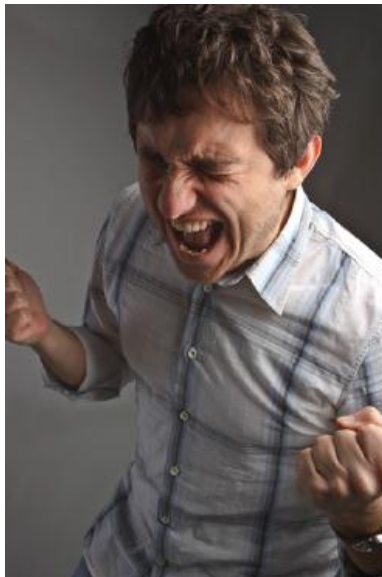
with them right now. That folder is *not* called “Past Clients.” It’s called “Dormant Clients.” That’s the way you want to think of your clients. Hopefully, if you’ve had a good experience working together, in the future, you’ll work together again.

Have the mentality that these are ongoing relationships. What I like to do is, if I see a blog post somewhere, or an article I think would interest them, I send it over and say, “Hey, I knew you would love this piece.” Sometimes, it’s something I’ve written, and sometimes it’s by someone else. But I just stay on their radar, and keep building the relationship.

How to manage PITA clients

CAROL: If you don’t know, PITA stands for Pain In The Ass. The best scenario is to identify PITA clients and decide not to work with them *before* you take the gig. The alternative is to charge them more than you’d charge a non-PITA client, so at least you’re being well-paid for the agony of dealing with someone who’s crazy and/or obnoxious, or a real boundary pusher.

PITA clients often want to IM you around the clock. They’re needy, needy, needy. And they change their mind a lot, or don’t know what they want, causing you to have to write draft after draft.



If you find yourself with a PITA client, where you start thinking, “You know, these people are really a pain,” the first thing to do is define your boundaries. Make sure everything’s super-clear.

Resist the urge that super-needy clients have for numerous lengthy, in-person meetings, or for endless email exchanges at all hours. Deal with this by charging your hourly rate. If they send you five-page emails you’re expected to read through, be clear that you’ll charge them for that time. I had one client where I needed to do a half-hour interview for every webpage I wrote. I charged for that – and I charged 15 minutes if their expert cancelled on me.

Define your business hours for PITA clients, and don’t respond outside of them. Resist requests to hand over your Google Chat or AOL Instant Messenger address. Tell them, “You know, I’m not active in that.” You can do this and not lose the client. If you tell them, “I work 10:00 to 3:00. Those are the hours when I respond to emails,” and then you see one arrive from them at 9 p.m., don’t respond.

I don’t care how “top priority” the client says it is. You are not in. Don’t ever respond. If you do respond at 10 p.m. on Saturday night, next it’ll be 5:00 a.m., and then they’ll call at crazy hours. If that happens, unplug your phone. My phone does not ring in my bedroom, it rings downstairs where I won’t hear it ringing if I’m asleep.

As a reporter on the West Coast who interviews people all over the country, I get PR people who call me at 5:00 a.m., my time, because they’re in their office at 8 a.m., their time. Create work-life balance in your business, or clients will eat your every waking hour. You’re in charge of this.

By the same token, if you’ve agreed you’ll manage this account on Basecamp, where you leave all your work and messages related to this client’s project, then don’t respond eight other ways. Look in Basecamp.

Also, hopefully, you’ve taken our advice about doing short-run contracts, so that if, in 60 days, you realize, “Okay, yeah, this person is not easy to work for... but I kind of like their work and want to keep doing it,” then it’s time to negotiate a raise.

Get a raise if you want to keep the client. Based on what you can get from your PITA client, think about whether this client is really worth it. Are they costing you mental energy, sleepless nights? Do you find that you have to debrief and vent to your spouse for a half-hour every night about all the crazy stuff the client did or said that day? If so, add all that into the time you spend on that account, and recalculate to figure out your real

hourly rate. Then, think about whether they're worth it. Are they robbing you of marketing time you need to build your business?

We provide a handy worksheet in The Freelance Business Bootcamp Workbook for figuring out which your best clients are and which you should drop, so be sure to check that out.

The bottom line with PITA clients: if they aren't paying you great, it's probably time to find another client.

When you have only one client

NEIL: When you have one client who is your biggest client, you've got to go out and clone them, quick. I experienced this myself. I got this rather large tire manufacturer, and I was elated. They paid great, and fast. They were wonderful. But, all of a sudden, I realized their projects were adding up and up. Eventually, that's all I was working on.

Then I got scared. What happens if, one day, they go away?

A lot of freelancers have one big client. I just went through this with a writer buddy of mine in Atlanta. His one client gave him a lot of work, good work. But, all of a sudden, his contact left the company, and everything dried up. If you get a big, nice and steady client, you've got to find another one. Otherwise, that client has too much control over your income and your business.

Plan for problems

You want to plan for problems. What are potential snags that could happen in your freelance business, and how will you deal with them? If your client is late in sending you material you need to finish the project, what is your policy? Maybe you send them an email: "Hey, you didn't send me that stuff. I'm stopping work on the gig until I get it."

It can be as simple as that. But you need a policy in place that you've communicated to your client: "Here are the rules. Here's what will happen to your deadline if I'm not getting what I need." Be gracious but firm.

The other thing to plan for is client expectations, always a big one for me. What does the client want and need? What has been agreed upon? What is clearly documented? This goes back to clarifying with clients, saying, “Hey, if I’m understanding you correctly, what you mean is *this*.” You want to make sure all their expectations are clear, and you have a way to fulfill them.

People like to talk about themselves, so get them talking. Find out what they expect from you, and then plan your work to fulfill them.

Time-tracking

NEIL: Another important component of project management is time-tracking. For those of you who aren’t tracking your time, do it. It’s useful, even if you’re billing a client on a project basis.

You need to know how much time it takes you to do everything. Track the time for everything for a month, then look at it – and you’ll say, “Oh, my God, I didn’t know.” Because things are not as you think they are.

When you run into trouble — and you will, because life happens — ask yourself, “Is there something I can renegotiate?”



Build flexibility into your schedule

CAROL: It's always great to have one client in your stable who loves you, and who is a big planner. They give you lots of time to do their stuff, and they're flexible. For me, right now, that's my Forbes blog. I have the "Publish" button, and they don't care what days of the week I put things up, or even how many posts I write – if I don't do enough, there's a bonus I won't get, but they're not going to fire me. My assignment is to hit a traffic goal for them – that's all. They're the client I throw under the bus when I get a big project, or something unexpected comes up.

For instance, I recently took a new client because they wanted a type of business-plan writing I'd wanted to break into for years. I knew I didn't really have time in my schedule for this new client, but I could still take them on, because I could wait on my Forbes work for two weeks and not do anything for them. That's a real factor to consider when you're looking at clients – could this be a flexible client who will stay with me, even if I suddenly can't work on their stuff for a week or two?

NEIL: Clients who get how freelancing works are really valuable. Some clients delay and push projects into other deadlines. How do you deal with those things when deadlines get fuzzy?

What happens if a client pops up with an unexpected revision or project, and they're a great client but you're booked? How will you deal with that? Magazine editors are famous for this – they sit on your article for three months and then, all of a sudden, need a rewrite in 48 hours because the June issue is closing.

Everybody wants to be first in line, and you need to have systems in place.

Prevent scope creep

NEIL: Every freelance writer should be aware of scope creep: when a project with set parameters suddenly morphs into a project with more to it. My advice: Don't start that work until you have clarified what it involves. If there are new negotiations around this additional work, always be sure it's documented. Get it in writing: "This will now be 1,000 words." Or, the deadline has changed, and now it's due on this new date.

CAROL: When you're asked to do something that's not covered in your contract, get out that change order and send it over.

Tips for managing difficult people

CAROL: My big tip: Keep it professional. For instance, I had one editor who was a yeller – a nasty, abusive guy. The first time he pulled it on me, I said, “Let’s just stop right here. I think you know that I’m working hard, that I’m willing to improve, and I’m willing to take your criticism. But I do expect you to treat me respectfully, or this isn’t going to work out.”

You know what? He never yelled at me again. This was a staff gig. I wrote for him for five years, and we had a totally happy relationship. He’s even referred me freelance clients.

Turn one-off clients into ongoing clients

CAROL: The secret to success in the freelance writing business is taking clients who pop up with one quick project and turning them into ongoing clients. Nobody I know who makes a good living at this does a one-off project, and then finds another client and does another small project, and finds another client and does a little project. That’s not how you make a living at this. It’s about building relationships and getting ongoing work.

As you get clients, look at their business and their marketing materials and ask yourself what else you could pitch that client. Maybe you’re blogging for them, but they don’t have a free product for their blog subscribers, so you pitch them a special report. You’re looking at where the business is growing, and you could help spread the word. You’re asking them for a testimonial to help you get more clients. You let them know you’d appreciate their referrals.

If it’s a magazine editor and there are sister magazines in their publishing group, or other company divisions, other marketing managers, other departments within that organization, get introduced around.

My joke about client relationships is that “I’m going to *Casablanca* it.” Any time I get an assignment from a new editor, my mentality is, as they say at the end of that movie, “This is going to be the start of a beautiful friendship.”

I’m not simply writing one article for you. I’m going to *slay* this article. My editor’s mind is going to be blown, and I’m going to become their “go-to” writer. They’ll want to assign me stuff every month. That’s the mentality you want to have.

Evaluate your client base

CAROL: This exercise will help you think about your clients in a way that helps you make good business decisions. I learned this technique in *Your Money or Your Life*. In the book, they do an exercise with your personal finances. You log every expense, and then project its annual cost. You quickly find, “Oh, I’m paying \$100 a month for cable. That’s \$1,200 every year. Do I really use cable that much? Maybe I want to get rid of it.” This exercise makes you evaluate your spending in terms of annual cost and the relative value you derive from it.

Do a similar exercise with your clients, but on the income side.

That exercise works like this: Say I’ve got one client, and I write one article a month for them for \$1,000, pretty regularly. That’s a \$12,000-a-year client who loves my writing and asks for few edits.

Another client gives me several small assignments a month in a disorganized way, and it takes me a lot of time to write. This client only pays \$500 for those four blog posts. I feel busier with this second client, but, in fact, they’re more of a pain – and they’re only a \$6,000-a-year client.



Start projecting the annual value of your clients and you’ll start to see which are your cash-cow clients, and which clients you might want to drop. This exercise helps when you have a conflict where all of your clients suddenly want stuff from you at once. You’ll know who to prioritize, because you’ll understand their value.

The final step of this exercise is to project this into the future. Do you see growth opportunity with this client?

Is this a client who's growing their business, and who, in the future, might have more stuff for you, or be able to pay more? Or is it dead-end, content-mill work, where you'll never get a raise, and in the future they might go bust, because we know the content-mill business model is dying. These are all factors to consider. Others: How fast do they pay? How easy are they to work with?

When I started doing that annual client analysis, everything changed for my business. I looked at my client list and thought, "I love this one client. I get on the front page of Yahoo! with the articles I write for them, and I feel like a rock star. But it's only a \$3,600-a-year client, and it's a decent amount of work." After I compared that with some of my other clients – some worth \$20,000 a year – I dropped that smaller client and found another large client, instead.

This exercise helps you get away from your emotional attachments to your clients' personalities and look at them in a dollars-and-cents, straightforward, businesslike way. Then, you see which clients are really valuable.

NEIL: That's so true. Sometimes, you work with clients and love their projects, but they're tanking. You're just not making that much money. Meanwhile, you work for a guy on a couple of complex, involved projects a year, and make a load of money. So, understand your clients and what they contribute to your business. It's so important to do that.

When clients don't pay

CAROL: If a payment you're owed doesn't arrive, it's time to use your contract. Now that you have a contract, you may think, "Oh, if they stiff me, I'll just sue them." But you don't ever want to sue a client. It will suck up your money and your energy. It's a bad headspace you don't want to be in. Instead, use your contract to avoid a lawsuit. Start with keeping a payment calendar, so you know when that payment is due. When it doesn't come, immediately bring up the fact that, contractually, your payment is now due.

Another thing you can build into your contract terms is that you charge a late fee if payments are not on time. I have tacked on a 3-percent-per-month late fee, and I find that brings prompt payments. They usually ignore the late fee and pay the original amount, and pretend they didn't see the later invoice. But it gets the payment in your hands. When they see that it's going to cost them more and more if they delay, they send the check.

You can also try social shaming. Go on Twitter and say, “Called accounting at X Corp, my payment was due last week. Can you tell me when I might expect it?” A public post about this tends to bring a quick resolution, I find. Don’t call them names, keep it professional – but tell the world they’re not paying.

You know, cash flow is a big problem for a lot of freelancers. I hear, “Wow, I’m booking all these clients.” But, it turns out, they’re all paying you in six months. And, meanwhile, you’re broke.

NEIL: Be polite but proactive in collection attempts. The bottom line is, it’s your money. Don’t be afraid to ask for it.

CAROL: If you’re the kind of person who can’t ask for it, consider hiring somebody to be your collections department who makes those calls. Hopefully, you have some kind of tracking system, so you know when payments are due.

Back in 2011, 2010, or 2009, when I was earning six figures purely from freelancing, I had a payment calendar. I was on the phone or emailing the client the next day, if a check wasn’t here.

“I see your check hasn’t turned up,” I’d say. “It was due yesterday. Can you tell me when I can expect that payment?” You want to be on that. You want clients to know you care when payments come, and you’ll call if they don’t appear.

NEIL: Those calls aren’t bad. That’s just being a businessperson. Nobody’s going to get upset with you for making a simple collection call. It’s just business, and you’re there to make a profit, period.

CAROL: If you don’t get the payment, despite all collection efforts, strongly consider letting it go. Consider it “tuition in the school of life,” and write a better contract and choose better clients next time. Suing is such an energy suck-hole. Unless there is a big payday at stake – say, \$20,000 – it’s not worth your time. You’re going to spend more in legal fees than you stand to gain from what you were owed.

Q&A

Will the client evaluation work if you're just starting up?

CAROL: Sure thing. If you've got a month of data, you can project that out. If you've got two months of data, you already start to see if a client assigns you all the time or it's sporadic. You can guesstimate the extent of the relationship.

Also important: What's the outlook? Is this a magazine with five sister magazines, and some pay more than the one I'm writing for now? Or is it a single publication? Those questions help you see the future potential of your current clients, and that helps you make client decisions.

What is the minimum project value that's worthwhile to take?

CAROL: That's a great question, as I believe you *should* have a "floor" for client projects, below which you don't take the project. And raising that floor is a big key to growing your business.

For a long time, \$300 was my floor. If you came to me and said, "I want you to write two blog posts for me this month for \$200," I'd say, "No thanks." I don't take on new clients that are that small because, as we found in the annual-value projections we talked about above, that's only \$2,200 across the whole year.

That's just not much. I might take it because I think it's an entry-level thing, and next month it'll be twice as much. But, in general, I made \$300 my floor. That helped right away, cutting out all the little itty-bitty client offers available on Craigslist or Elance to do something for \$20 or \$100. The thing is, clients who offer you a \$100 gig tend to not be good clients. They don't have enough of a marketing budget to work with a freelancer on an ongoing basis.

When I took that floor from \$300 to \$500 a few years ago, my earnings went up again. That's when I dropped that client I mentioned, who assigned me the \$300 articles that hit the front page of Yahoo!. I told them, "You know, I love working with you, but, going forward, \$500 is my floor for articles." These days, I'd say honestly, my floor is more like \$1,000.

Below that, if it's ongoing and \$500 a month, I might go for that. But you should have a floor, and keep raising it. It's a bizarre irony of freelancing – bigger companies are

usually more functional, and they're often a pleasure to work with, where smaller clients are more often PITA clients.

NEIL: Give this some thought. It costs you money just to wake up. Your day-to-day life costs money. Food. Gas. Utilities. Rent, or a mortgage. Life is expensive. As you calculate your rates, your bottom line quickly becomes apparent. "You'll pay \$50 for this article? Yeah... can't really do that."

Know your numbers.

So, we set \$300 as a floor for how much work?

CAROL: That's going to depend on you, and what you're charging. But there's a basic truth about freelance writing client management that you need to know: a \$100-a-month client involves just as much administrative work as a \$1,000-a-month client. That's the problem with having many tiny projects – there will still be as much non-billable administrative work as a big, ongoing client will need.

Big projects are more time-efficient. Your goal as a freelancer is to find fewer, better-paying clients over time. The ideal freelance client mix is not having 20 clients you work on all at once. It's more like six or eight substantial-sized clients you're working with at a time. Not just *one* client, as Neil discussed, but fewer, bigger clients, as opposed to many, tiny clients. The administrative overhead of all the teeny clients will kill your business. So, that's the reason for having a floor.

If they're giving you \$300 or \$500 of work a month, that starts to cover the non-billable email exchanges and phone calls and time creating invoices and change orders.

Is this on top of a retainer?

CAROL: No. If you have a retainer for \$500 or \$1,000 a month, then you've already met your floor.

Does having a retainer mean they're an ongoing client?

NEIL: Yes. It means every month they've committed to pay you X dollars to do X amount of writing. They're locking down a hunk of your time on a regular basis.

What about giving a client an entry discount?

CAROL: Don't do that. Don't give them some super-big discount because you think that'll lead to something. Charge what you need to charge. When you give people initial low prices, it's hard to lead them to appropriate prices.

NEIL: It automatically puts you in a box. I know one freelancer who had a client he didn't want to work for. So, he kept raising his prices and raising his prices, and finally he was at \$500 an hour, or some ridiculous amount. The client said, "Okay." The client wanted him so bad, because he'd heard about this guy's reputation.

Don't ever, ever, ever underestimate your value, and your talent. Especially for writing copy. I mean, you're going to write some copy for \$100 flat, and then the client goes out and makes what, \$500,000 off what you wrote. That ain't right, is it?

What about rounding up project hours for a client with lots of projects of different sizes, who's constantly emailing? Is there a better way of tracking all those tiny emails?

CAROL: Well, I never bill on an hourly rate. It's been years since I had an hourly client. You want to be working on a project rate, and then you don't have to worry about time tracking for them, and rounding up hours. Estimate how much time it takes to do X for this needy client who wants to email you all the time, and figure that extra time into your project bid.

I did have one long-running hourly client. It was hard to estimate, because it was a lot of rewriting and I had to do a lot of expert interviews. I charged them for a quarter-hour if their expert didn't turn up for their interview call.

I just had to tell a client to stop texting me on evenings and weekends, and she said she was doing it because I wasn't answering her emails.

CAROL: When people are texting you because you didn't answer their emails right away, that is the definition of a PITA client. You need to define boundaries for them, right away.

Here's an example of one way to manage this. I've given out my cellphone number to everyone in the universe, but I usually turn it off. It's on my writer website – a public piece of information. Once a day, I check it. The voicemail says, "This is my business

cellphone, and I will check it once a day.” So, it sets up the expectation that if you’re leaving a voicemail, I will not be getting back to you in the next 10 minutes.

I know a lot of writers use Google Voice or a Skype line for this same purpose, where, if you’re not online, it’s turned off. Remember, if you don’t create these boundaries, clients will abuse your time, and access you 24/7.

NEIL: If you don’t draw the line, they will suffocate you. It’s something every freelancer goes through. The way to avoid it is to set your rigid boundaries, and don’t ever stray from them. After a client can’t get hold of you a couple times on the weekend, they’ll think, “Oh, I guess she’s not taking calls on weekends.” Just stick to your guns.

CAROL: They’ll figure it out. And if they can’t deal with that, they’ll drop you. Sometimes, it leads to the end of the relationship. The problem is, PITA clients who’re emailing you, and then IMing you to say, “Did you get my email?”...the hourly rate will never make sense, no matter how much you charge them. It hurts your ability to do business.

You won’t be able to juggle multiple clients, because the PITA client is too needy. And that’s a big obstacle to creating a thriving freelance business.

This reminds me of another PITA client management tip: Your smartphone can be set to Do Not Disturb. Then, select specific people whom you want to get through, and exclude everyone else. My general rule is, if I look at my ringing phone and the caller isn’t my husband, my sister, or a number I recognize as someone I want to talk to right now, I let it go to voicemail. A ringing phone doesn’t create an obligation to answer it. You’re in control of who can access you on the phone.

I initially allowed a client to email me at all hours, but I no longer want to do it. How do you fix this situation?

CAROL: Just stop doing it. You might give them a heads-up first: “Hey, I just want you to know I’m not available on email on weekends anymore. I’m really committed to making that sacrosanct family time. So, I’ll get back to you first thing Monday if you have issues over the weekend.” Period. End of sentence.

Only you can draw these boundaries for your business. If you don’t, you’ll be working every hour of every day. You’ll never have time off, you’ll never have family time, and you won’t be earning enough.

Learn More About Freelancing from the Authors

Blogs & Websites

Carol Tice: Make a Living Writing <http://www.makealivingwriting.com>



MAKE A LIVING WRITING

...practical help for hungry writers

Neil Tortorella: <http://neiltortorella.com>



Books & E-books

From Carol Tice:

13 Ways to Get the Writing Done Faster: 2 Pro Writers Share Their Secrets, by Carol Tice and Linda Formichelli



How to be a Well-Paid Freelance Blogger, by Annabel Candy, Sean Platt, Carol Tice and Greg Ciotti



The Step by Step Guide to Freelance Writing Success, by Carol Tice and Laura Spencer

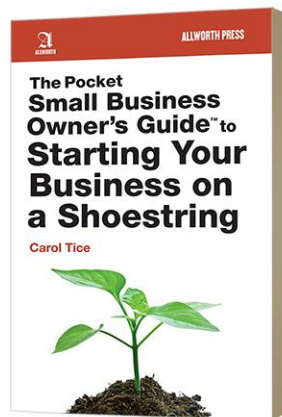


How to Get Great Freelance Clients, by Carol Tice, Linda Formichelli, and Chris Marlow



All available at: <http://www.makealivingwriting.com/ebooks>

The Pocket Small Business Owner's Guide to Starting Your Business on a Shoestring
(Allworth Press 2013) <http://shoestringstartupguide.com/>

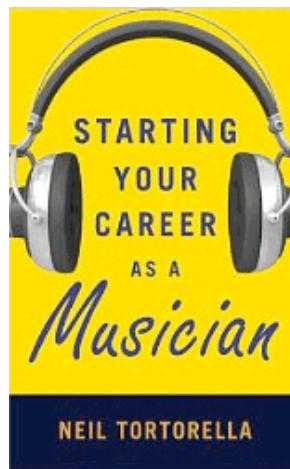


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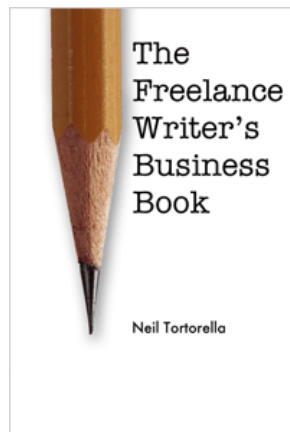
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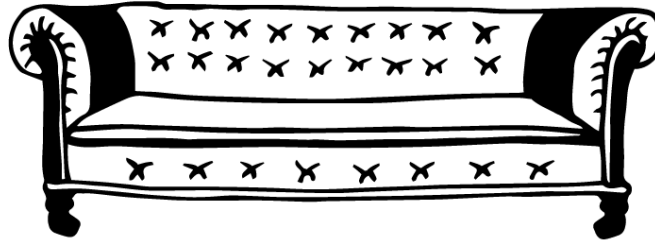
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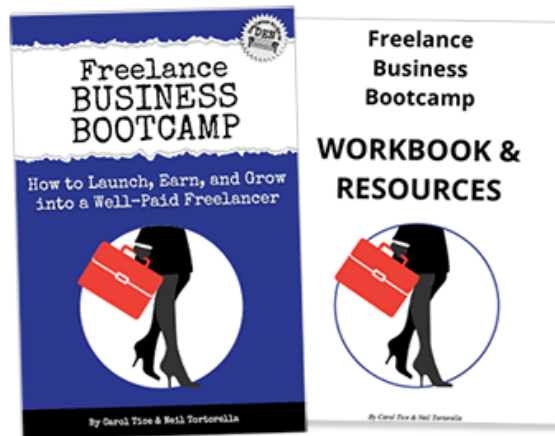
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