

FREELANCER'S BUSINESS BULLETIN

April 2004

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Dear Subscriber,

Welcome to the fourth issue of Chris Marlow's FREELANCER'S BUSINESS BULLETIN. In this issue you'll learn the secret to getting at least 50% of your freelance fee up front, plus a whole host of other important requirements for your freelancer's business.

It was FREELANCER'S BUSINESS BULLETIN subscriber and copywriting expert Susan Fantle who asked for a discussion of this topic because she had recently encountered some difficulties with clients. In her own words:

"I've been in this business for 23 years and only in the last two years do I finally see the need to have a contract with new clients."

Now I've seen a lot of contracts in my freelance life, but none more complete or protective of a freelancer's interests than my own. And I'll share its elements here so you can create your own contract, or perhaps improve the one that you use.

But before we get started I'll make a couple of points:

The first concerns semantics: Somewhere along The line I read that the word "contract" is negative And off-putting, and after some thought, I had to agree. So I call my contract a "Fee Agreement," which I think is friendlier and sets the tone for a positive and equally respectful working relationship

to come. You might think about doing the same for your own contract.

Point two is that you should always, always use a Fee Agreement and get it signed and faxed (or emailed) back before starting any work. When you work with the proper forms you are telling your client that you are a professional, and your client will then treat you with the respect you deserve. Much of the success of the freelancer/client relationship is built upon how you conduct yourself in your transactions.

In my Fee Agreement I always make it clear that I Will Invoice for half the fee up front, upon receipt of the signed Fee Agreement. That way the client has agreed to pay an up front fee of 50 percent.

Then I email the Invoice, which instructs the client to send the check via FedEx or another overnight delivery service. Since I tend to work with mid-size to large companies, I never have a problem getting my up front fee or having it delivered over night.

My feeling is that clients are in a hurry to get their copy and are at their most agreeable at this stage. However, once they've received their copy, there is no incentive to rush the check. So I send a final Invoice "due and payable upon receipt," instructing the payment to be sent via regular mail.

Since I work directly with the client, this arrangement works well for me, however you may need to be more flexible depending on whom you work with, or what market you're working in. For instance, ad agencies may ask you to collect 100 percent at the back end, especially if the job is small and fast.

For very large jobs, paying in thirds is also common. And small businesses may prefer to pay in thirds if their budget is tight (and it usually is).

And then, of course, there are those pay arrangements that include bonuses or royalties, which you will most often find in the business-to-consumer side of direct marketing, among very large mailers.

Does anyone ever get paid 100 percent up front? The answer is yes, but I've seen it rarely. Recently one of my coaching students was paid 100 percent up front for a very small job worth \$300. And another student was paid in the four figures from an entrepreneur, who obviously understood that the copywriter realized the risk involved with working with a risk-taking marketer.

My advice is to try for 50 percent, and if the client balks, proceed very carefully if you proceed at all. If the client has problems paying you now, before you do the work, it's a red flag. You're better off to say no, and spend your time marketing yourself to find a better client.

A Quick List of What Should Be in Your Contract:

- A very detailed description of the job, listing virtually everything you will do
- A deadline for the work to be completed
- Revision terms
- Payment terms
- Late payment terms
- A description of what will be included in your services
- A description of what will not be included (interviewing and creating testimonials, for instance)
- A policy on how change orders are handled (you charge more if they make a significant change after work has been done)
- Ownership (you own the copyright until you've received full payment)
- Indemnity (a legal disclaimer holding you harmless against any legal charges such as libel

and copyright infringement; you don't need to add false advertising since you won't be doing that anyway)

- An agreement for the client to share work samples and results (so you can use them in your promotions)

Don't be so anxious to get the work that you fail to get a signed Fee Agreement and payment up front. Getting payment up front is an effective screen, and evidence that you are a professional.

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