

HOW TO FREELANCE

- **How much to charge**
- **How to find work**
- **How to get started**

My best advice:

- **Seek full time employment after graduation.**
 - Steady paycheck
 - Benefits (health insurance, paid holidays, etc.)
 - Employer withholds your taxes
 - Learn the ropes
 - Build your professional network

Do not fear freelance.

More than a third of U.S.
workers are now freelancers.

Freelancing: What you should know.



<http://www.cnbc.com/2015/03/13/plan-to-freelance-in-future-what-you-should-know.html>

Advantages of freelance

- You are your own boss
- You completely manage your own time
- You control how, where, & when you work
- You can choose your work
- You can turn down work you don't like or want
- No meetings
- No bureaucratic nonsense

Disadvantages of freelance

- Getting work can be a challenge
- Marketing yourself has a cost
- You are responsible for everything
- Manage all your own business
 - Taxes
 - Insurance
 - Record keeping
 - Billing & collections
- Your development is your own responsibility
- Non-billable hours can be an issue
- No paid vacation, holidays, or sick time
- Working alone is not for everyone

How to start freelancing

SHORT VERSION

- Find someone willing to pay you for something you know how to do.
- Agree on an assignment
 - The work
 - The compensation
- Do the assignment
- Bill the client & collect your pay
- Pay your taxes

How to be a freelance

- Establish your rate
- Market yourself
 - Build your reputation & your network
 - Find new clients & new assignments
- Keep financial records
- Pay taxes

Marketing

is what you do to find people who are willing to pay you to do something you love.

What prospects care about:

1. Your competence to do the work
2. Your ability to collaborate effectively
3. Your enthusiasm for the work

What prospects care about:

1. Portfolio
2. Reputation
3. Enthusiasm for the work

The essentials of marketing yourself

- Know *what* you're selling.
- Know *who* you're selling to.
- Speak to the prospective client's needs – not your own.
- Take initiative to connect with target customers.
- Build your relationships and your reputation through your actions.

Your essential marketing tools:

- Your brand statement
- Business card
- Résumé
- Website/Online Presence
- Online portfolio
- Your appearance and conduct

Networking

- Get out there and meet people.
- Let them know what you can do to help them.

Networking

- It's not about who you know, but rather who knows you – and what they know about you.

**You have 6 seconds or less to
make a good first impression.**

How much should you charge?

Research the market for going rates



How much time to you have and how much do you need to earn?

Target income: \$50,000

Target income: \$50,000

- Income tax \$6,000
- Housing \$12,000
- Transport \$4,000
- Food \$5,000
- Personal care \$4,000
- Health care \$5,000
- Loan repayment \$4,000
- Utilities \$2,000
- Entertainment \$2,000

TOTAL \$44,000

Billable hours

- Potential billable time:
 - 52 weeks
 - 40 hours per week

Billable hours

- Potential billable time:
 - 52 weeks
 - 40 hours per week
- 2,080 potentially billable hours in a year

2,080 hours in a year is not practical

- Subtract non-billable time
 - 10 holidays = 80 hours
 - 3 weeks vacation = 120 hours
 - 8 sick days = 64 hours
 - marketing time: 50 weeks X 14 hr. = 700 hours

2,080 hours in a year is not practical

- Subtract non-billable time
 - 10 holidays = 80 hours
 - 3 weeks vacation = 120 hours
 - 8 sick days = 64 hours
 - marketing time: 50 weeks X 14 hr. = 700 hours
- Total: 1116 hours of billable time

Rate estimation

- Target income: \$50,000
- DIVIDED BY
- 1116 hours of billable time
- EQUALS
- \$44.80 per hour

Factors for estimating your price for a project

- Your calculated hourly rate.
- Estimation of how long the project will take, plus expenses.
- Knowledge of current market rates.
- Your client's budget.
- The *value* of your project to the client.
- Your unique value in the situation.

Estimating Project Costs

- Identify in as much detail as possible, the work to be done.
- Identify the steps you will go through to produce the work.
 - Checklists are helpful.
- Apply your calculated rate to your labor.
- Add outside costs plus markup. (25% is fair)
 - In some cases, you may arrange for the client to pay outside costs directly.

Estimating Project Costs

- After the project is complete, check the accuracy of your estimate and adjust your method for future estimates.

Price is not value.

Someone can always charge less.

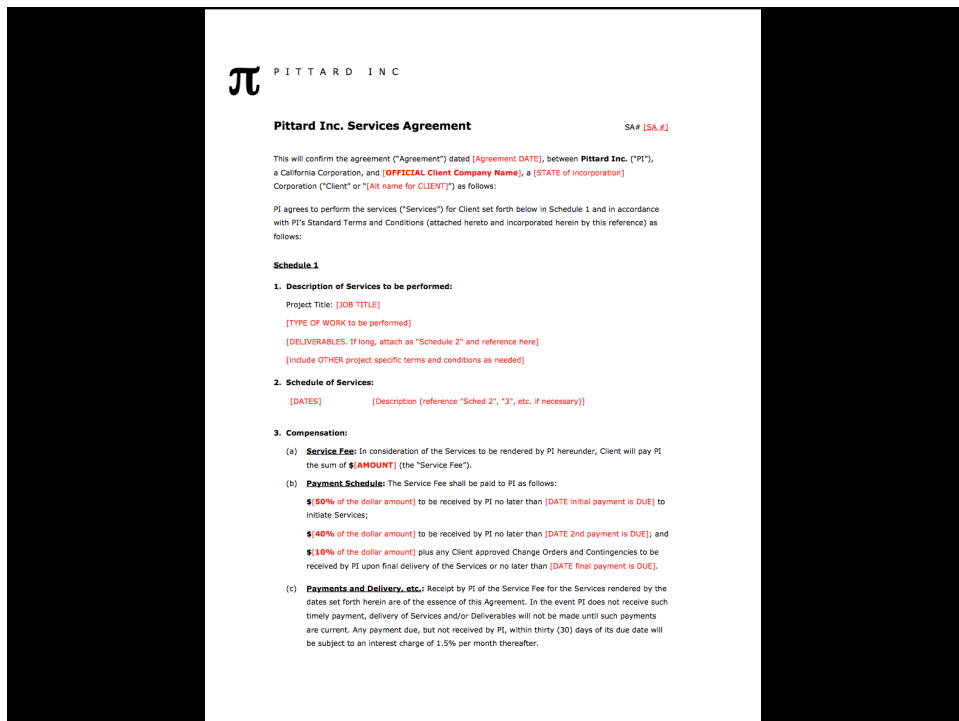
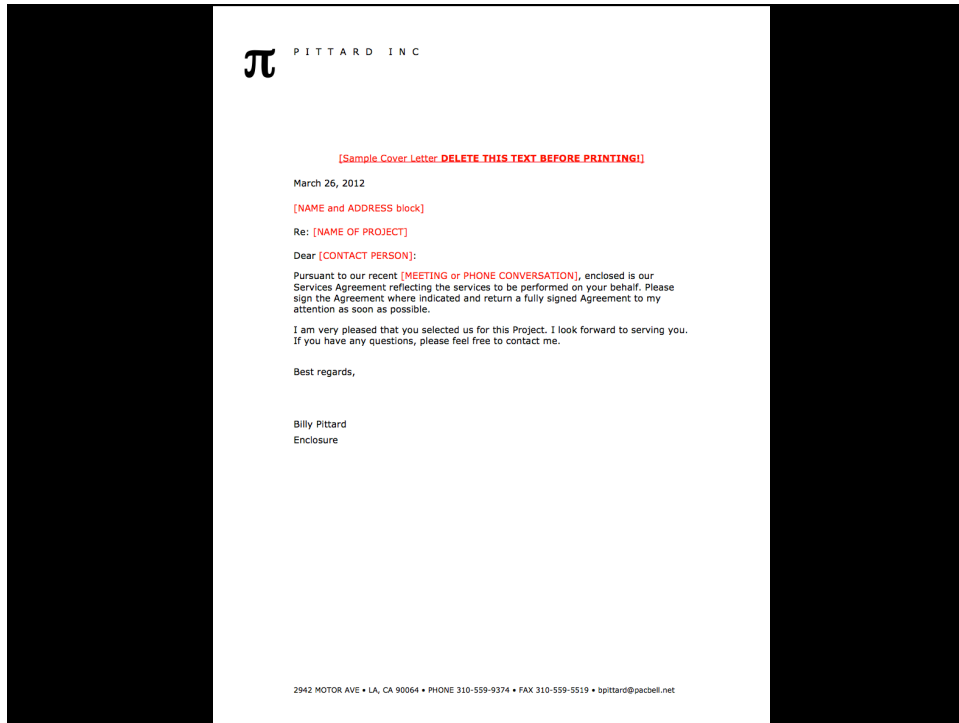
Closing the deal

**Practice safe business.
Use a contract.**

Definition of a contract

(BusinessDictionary.com)

- A voluntary, deliberate, and legally binding agreement between two or more competent parties.
- Contracts are usually written but may be spoken or implied.
- A contractual relationship is evidenced by
 - 1) an offer
 - 2) acceptance of the offer
 - 3) valid (legal and valuable) consideration



4. Other Terms and Conditions:

- (a) **Client's authorized representative:** **(NAME of Client Rep)** is Client's **(TITLE of Client Rep)** and all Service related details, coordination and Client approvals will be obtained through this authorized individual unless PI is otherwise notified in writing by Client.
- (b) **Utilization of Services:** By utilizing our Services, Client acknowledges and accepts the descriptions, terms and conditions set forth in this Services Agreement which will constitute a firm and binding agreement between the parties. However, we would appreciate it if you would confirm your acceptance by signing this Agreement and returning it to us for our files.

Accepted and Agreed to:

(OFFICIAL Client Company Name)
("Client")

Pittard Inc.

By: _____ Date _____ By: _____ Date _____
Signature Signature
(Please Print Below) Billy Pittard

Pittard Inc.
Terms and Conditions
2001

1. **Payment.** Our billing terms are 1/2 of the estimated price to initiate the work, with the balance due upon completion of the work. A 1.5% monthly service charge is payable on all overdue balances. The grant of any license or right of copyright is conditioned on receipt of full payment.
2. **Estimates.** The fees and expenses shown are minimum estimates only. Final fees and expenses shall be shown when invoice is rendered. Client's approval shall be obtained for any increases in fees or expenses that exceed the original estimate by 10% or more.
3. **Changes or Additions.** Client shall be responsible for making additional payments for changes or additions requested by Client in original assignment, approved designs or the finished production. However, no additional payment shall be made for changes required to conform to the original assignment description. The Client shall offer Pittard Inc. the first opportunity to make any changes.
4. **Expenses.** Client shall reimburse Pittard Inc. for all expenses arising from this assignment, including the payment of any sales taxes due on this assignment.
5. **Overtime, Cancellation Fees and Rush Fees.** Client shall be responsible for making additional payments for overtime, cancellation fees or rush fees caused by Client.
6. **Cancellation of Assignment.** In the event of cancellation of this assignment, the Client shall pay Pittard Inc. for work done to date and expenses incurred. Additionally, Client shall pay any third party cancellation fees caused by Client. Pittard Inc. shall retain ownership of all copyrights and original artwork until the Client has paid all fees due.
7. **Ownership of Artwork.** Pittard Inc. retains ownership of all original artwork, whether preliminary or final, and the Client shall return such artwork within thirty (30) days of use. Client agrees that it will not authorize any other entity to execute designs submitted by Pittard Inc., nor will it execute the designs itself without the express written permission of Pittard, Inc.
8. **Exhibition of Work.** Pittard Inc. retains the right to use work created under this agreement for demonstration and marketing purposes and the right to enter this work in any competitions.
9. **Credits.** If this is for a television or film main title Pittard Inc. shall be given a credit in either the main title sequence or end credits. The credit shall read: *Main Title by Pittard*
10. **Alterations of Artwork.** Any alteration of original art creating additional art is prohibited without the express permission of Pittard Inc. Any such unauthorized alterations shall constitute additional use and will be billed accordingly.
11. **Materials Supplied by Client.** Client shall indemnify Pittard Inc. against all claims and expenses, including reasonable attorney's fees, due to usage of any materials provided by the client for use in this assignment.
12. **Rights Transferred.** Pittard Inc. transfers to the client the following exclusive rights of usage.
 - Distribution of the program for which this work was created.
 - Use of the graphics on materials directly related to the production of the show.
 - Use of the graphics for advertising the program.
13. **Unauthorized use.** Client indemnifies Pittard Inc. against all claims and expenses, including reasonable attorney's fees, arising from uses for which Client does not have rights to or authority to use. The Client will be responsible for payment of any additional fees resulting from the use of graphics for which no release was requested in writing or for uses which exceed authority granted by a release.
14. **Modifications to this Agreement.** Modification of the Agreement must be written, except that the invoice may include, and Client shall pay, fees or expenses that were orally authorized in order to progress promptly with the work.
15. **Arbitration.** Any disputes in excess of the maximum limit for small claims court arising out of this Agreement shall be submitted to binding arbitration before the Joint Ethics Committee or a mutually agreed upon arbitrator pursuant to the rules of the American Arbitration Association. The Arbitrator's award shall be final, and judgement may be entered in any court having jurisdiction thereof. The Client shall pay all arbitration and court costs, reasonable attorney's fees, and legal interest on any award of judgement in favor of Pittard Inc.
16. The Client waives the right to challenge the validity of Pittard Inc's ownership of the art subject to this agreement because of any change or evolution of the law.
17. **Code of Fair Practice.** The Client and Designer agree to comply with the provisions of the Code of Fair Practice, a copy of which may be obtained from the Joint Ethics Committee, P.O. Box 179, Grand Central Station, N.Y, NY, 10017.
18. **Acceptance of terms.** The signature of both parties on the Services Agreement shall evidence acceptance of these terms.

Anatomy of a contract for services

- Names of the two parties (plus shortened names)
- Agreement number
- Date of the agreement
- Purpose of the agreement
- Description of services
- Responsibilities of each party
- Payment for services (including timing of payment)
- Confidentiality of pricing and client trade secrets
- Consequences of not meeting responsibilities
- Contingencies based on unknowns and variables
- Term of the agreement
- Indemnification
- Amendments
- Governing law
- Signatures of both parties

Anatomy of a contract for services

- Additions:
 - The name of the client representative who has authority for approvals.
 - Requirements for timely approvals and access to the authorized client representative .
- Optional:
 - Limitations on how the client can use your work.

Contract samples & templates

- Trade associations
- AIGA.org
- RocketLawyer.com
- LawDepot.com

Minding your business.

Business management

- Determine the legal form of the business.
- Set up separate accounts for your business.
 - Bank account
 - Credit card
- Keep good financial records.
- Pay quarterly estimated income tax and self – employment tax.

Taxes

- Income tax: roughly 12% of income
- Self-employment tax
 - 15.3 % on first \$110,100
 - Covers Social Security + Medicare
- PAY QUARTERLY

KEEP GOING!

- Build your reputation and business relationships.
- Build your skills.
- Build your portfolio.
- Never stop marketing your services.

Today's notes