



Talking Point: Freelancers

The freelance market is booming, but employers are failing to effectively harness the potential in these talented individuals, writes *Dan Drage*.

When once the career paths of the UK's workforce seemed corporeally mapped, the indelible spectres of recession and redundancy have forced many of the nations's employed to question their future, and perhaps even take a radical deviation. Evidence uncovered by ITV's Tonight show, in conjunction with research conducted by FranchiseSales.com, suggests many of those made redundant over the last 12 months have realised their entrepreneurial dreams and either bought a business or started their own enterprise. They're in good company; Bill Gates founded Microsoft in the recession of 1975, James Dyson forged ahead in the shadow of Black Wednesday and Hewlett Packard was born in a garage at the Great Depression's conclusion.

However, not everyone is turning to business ownership, and while many are content to sit tight and ride out the uncertainty, an increasing trend toward freelancing is emerging. This movement, indicative of workforce members realising their own worth in the midst of credit crunch restricted mediocrity, has prompted a freelance boom, with nearly 1.5 million freelancers now in operation throughout the UK. Moreover, Helen James, founder of the leading freelance networking site Freelance Alliance, believes these vestal freelancers are "proving to be a lifesaver for businesses during the downturn" due to their adaptability and proclivity for short-term contracts.

Are firms gaining maximum benefit from these freelancers and contractors? Helen James thinks not, but she does have a solution for businesses: "Ensuring that your freelancer is well briefed in terms of requirements and what they are expected

to achieve prior to the contract beginning is a vital part of the process. Additionally, company directors who are hiring freelancers should be involved in the project from a creative standpoint. Feedback and ideas provide extra perspectives for the freelancer to consider. As well as providing an excellent return on businesses investment, freelancers often go the extra mile. By nature, freelancers strive to become a partner rather than a supplier, so it is important to be receptive to ideas that freelancers may come up with that are outside their immediate brief."

Navigation

Alongside these baby boomer freelancers are a whole generation of freelance professionals experiencing their first taste of working through a recession. Despite popular conception, these canny stalwarts are, on the whole, proving the life of a freelancer can be far from perilous. Claire Elbow, freelance PR and marketer, has worked freelance for five years but this is her first shot at navigating through a downturn. Says Claire: "I have worked both in-house and for agencies in the past, and this is the first time I've had to work through an economic slowdown. The freelance industry is often talked about as having less security than a full time job, but I do not see it like that. I am especially prudent at the moment when it comes to keeping a 'pipeline,' of business flowing. This means that if I lose a client, it is not the end of the world, as I have several other opportunities. For those in full-time employment, they only have one job, and if they lose it, this can spell disaster."

Claire is keen to dispel the notion that it's been plain sailing though, adding: "Businesses are naturally less keen to part with their cash right now. I have had to develop a slightly tougher negotiating style when it comes to contracts, but by standing firm, I have reaped the benefits."

Keen to diversify, Claire is launching an equestrian clothing line to provide a steady stream of income away from the marketing and PR landscape. Similarly, freelance architect Glenn Bramble-Stewart found that once the public's appetite for construction had dried up, he too needed to adapt his approach: "With the current situation in the housing market, a lot of people seem to be looking at ways to improve their homes instead of moving on. This is one of the main factors in my business doing well at the moment, as I do a lot in areas such as home extensions. Businesses and individuals are also more inclined to hire small, independent businesses like mine because they perceive costs as being less than larger organisations. For those who are feeling a bit financially uncertain at the current time, it makes more sense to hire a company like mine which offers shorter, less binding contracts."

Beyond retirement

While established freelancers investigate methods of diversification and a new breed sharpens its elbows to compete for business, a third stream of freelance professionals is joining the race. According to research commissioned by Standard Life, as many as one in twenty retirees intends to continue working post-retirement, with a significant proportion taking the freelance route. On

“THE MODERN FREELANCER NEEDS TO POSSESS A SHARPENED KNACK FOR CREDIT CONTROL”

retirement, Jeanette Thompson, a 64 year-old former journalism lecturer, rebranded herself as a freelance journalist and has seen a steady supply of contracts since. On the subject of her advancing years, Jeanette says: “When you have a track record and you know what you’re doing, clients respect that.” Freelancing is a sensible choice for those that perhaps cannot afford to retire, but who require a certain amount of flexibility and freedom in their day to day activities.

The thorny issue of how much freelancers should charge for their services, particularly the dichotomy between remaining competitive and selling oneself short, has been a source of constant debate within the community. Helen James suggests businesses should be prepared to pay a reasonable fee, and expect to get what they pay for, although she also concedes there is an onus on the freelancer to manage a client’s expectations: “As a freelancer you may need to educate some clients on value rather than cost at the moment. They’re paying you for skill and knowledge, so if you know a different creative approach would provide the client with a significantly better return, do say so. Like

any business you’ll need to be able to justify your charges as an investment rather than a one-way outlay. If you’re unsure about going rates then many will be ‘up front’ about their charges on forums, or else talk to recruitment agencies specialising in the creative sectors and even ‘mystery shop’ the competition to see who’s selling what to whom for how much and how successfully.”

Starting out

For those who’re tempted by the lure of a freelancer’s lifestyle, there are many practical issues to consider. The Freelance Alliance emphatically urges any fledgling freelancer to check there’s a market for their services long before throwing their all in, and this should be achieved through research. Engage with agencies and other freelancers before embarking; get a feel for the clients you’ll be pitching to. Additionally, consider training or enhancing your skills to get the jump on your contemporaries.

The legal implications of going it alone are sometimes lost on tenderfoot freelancers, and this is an issue the Freelance Alliance

is attempting to address. Says Helen James: “We recommend freelancers seek professional legal guidance. Intellectual Property, and whether you issue exclusive license or outright ownership, is a complex area and for some freelancers, such as programmers, this is complicated by Intellectual Property brought to the project by either party or Intellectual Property created during the course of the project. Having your own contract and terms of business, even if the client has theirs, will send a message of professionalism also.”

The modern freelancer needs to be equipped not only with red hot business, legal and marketing skills, but they need to possess a sharpened knack for credit control too. It’s a sign of the times that clients are taking longer to pay, and individuals striking out on a freelance path need to be aware of this. However, provided you have the required tenacity to agree payment terms upfront, freelancing can provide myriad opportunities not afforded to the typical 9 to 5 crowd, particularly a greater variety of assignments leading to a broader portfolio of both work and clients. [MME](#)

The Survival Guide for Freelancers

Freelancers face their most competitive and challenging period to date, but Helen James of the Freelance Alliance told Mid Market Exchange her three point plan for solo survival.



“Firstly, make the most of your contacts. Keep in regular touch with past and present hirers, colleagues and anyone else that could potentially know someone needing a freelancer. Don’t be afraid to ask your contacts for referrals. A happy client recommending you to their contacts removes the perceived risk of taking you on as an unknown external supplier.

“There is an overused phrase ‘work smarter’ which, in fact, has a useful philosophy under the tragic cliché. Keeping a thorough track of the time spent servicing clients will allow you to see exactly how profitable some clients, and if patterns emerge, some industry sectors are. It’s all too easy to sniff at databases as being the territory of the larger corporates that freelancers don’t have time for, but they can provide valuable insight to help you improve your profit margins. You may not realise how much time you spend emailing/telephoning, in meetings or driving to the post office 3 miles away because the client requires recorded delivery proofs but these will chip away at your billable time and your actual hourly rate may work out to be a lot less than anticipated. Such records not only form the justification to re-negotiate but you can also target your new business efforts at companies you know to be more profitable and make informed choices on which repeat business to turn away or subcontract if two jobs come in at the same time for the same deadline.

“Finally, it’s worth conducting a regular ‘business MOT’ to ensure you’re selling the right skills to the right people. Are some areas faring better than others? Are clients turning to online and offline PR to keep their order books turning over? Is there a demand for emerging technology or new disciplines within existing skills? If corporate photography, for instance, is not doing so well for you try investigating supply and demand for wedding photography, which reports indicate is one area not being financially compromised on.

“Ultimately, be sure to set a plan that enables you to feel in control and allay any fear of panic. Talk to other freelancers for moral support; there is a busy forum on FreelanceUK for views shared.”