

ROBERT VLACH

EUROPEAN
BESTSELLER

THE FREELANCE WAY

BEST BUSINESS PRACTICES,
TOOLS & STRATEGIES
FOR FREELANCERS



Jan Melvil
publishing

Praise for *The Freelance Way*

“If you want to succeed as an independent professional, it is essential that you educate yourself about running a personal business. You can either learn this the hard way through trial and error, or read this unique book instead. It covers virtually everything you need to know as a freelancer on how to start, manage and grow your business – be it a local or a global one, working remotely. Robert’s book is packed with proven advice, tools, stories and wisdom from people who have gone down this road before you. It will undoubtedly help you live and prosper, the freelance way.”

— **Steven Pressfield**, world-famous author of *Gates of Fire*, *The War of Art*, and *The Legend of Bagger Vance*

“As freelancers, we know *why* we should run our indie careers as a business, but *how* is often a challenge. This essential book delivers actionable advice and practical tips you can use to build a solid business foundation right now.”

— **Melissa Joulwan**, author of the best-selling *Well Fed* cookbook series

“Are you an experienced entrepreneur? Then this book will save your ass several times over. Are you a newbie freelancer starting out? It may even save your life! Most people think there are two groups of people out there: entrepreneurs and employees. They couldn’t be more wrong. In fact, there are those who are willing to learn and those who believe they know everything. This book is for the first group. *The Freelance Way* is one of the most useful books that I have read on my journey to a free(lance) life.”

— **Michelle Losekoot**, freelance writer and digital storyteller with major brands like Puma, T-Mobile, O₂, Skoda, and Prague City Tourism

“Just because you’re a freelancer, you don’t have to figure it all out on your own. There is a wealth of knowledge and wisdom out there from people who have succeeded on their own terms as independent professionals – and Robert Vlach puts it in your hands with *The Freelance Way*. The book is packed with practical advice on the challenges you will encounter, from the mundane to the artistic. And whatever your current level of freelancing experience, Robert reminds you and me that there is always more to aspire to.”

— **Mark McGuinness**, creative coach and host of *The 21st Century Creative Podcast*

“I had the privilege to work with Robert many years before he wrote this book. He is the best business advisor I’ve ever had and he played a significant role in my career move from the corporate world to freelancing. *The Freelance Way* is a must-read for anyone leaving the corporate bubble and taking back control of their professional identity and destiny.”

— **Eva Skornickova**, leading data privacy and GDPR advisor, former diplomat to Canada and top executive in Fortune 500 companies

“*The Freelance Way* is a book you will be returning to... for years, over and over again. It is written for both beginners and established professionals, so as you grow, it will give you new insights each time you read it. This book is a must for every freelancer, regardless of their profession.”

— **Michael Petrus**, illustrator and art director, founder of the comic book app Nanits

“Robert’s upbeat book about freelancing ends on a fascinating and unexpected twist. Even seasoned freelancers will find this work a great opportunity to go back to their roots and recalibrate their freelance business.”

— **Jan de Graaf**, senior business developer and expert on EU exports to China

“*The Freelance Way* is a comprehensive and well-structured masterpiece on freelancing, and rightfully the main go-to resource for independent professionals, entrepreneurs and creators alike. The book sums up years of experience and tons of advice and research, yet it is super pleasant to read. Robert presents a complete roadmap with hundreds of real-world examples on how to seriously upgrade your freelancing toolbox. Going freelance is a lot of fun, but it also brings a lot of challenges. Reading this book will surely allow you to enjoy more of the former and put you in control of the latter.”

— **Petr Klymec**, EMEA Expansion Manager at WeWork

“Robert Vlach is one in a million. Friendly, hard-working, fully engaged, but most of all a true professional, who walks the talk. His book is precisely like that. Before I opened it, I wasn’t really aware that I was half-freelance myself. I was awestruck by the sheer number of things I could improve on. Ever since, the book has been my go-to business guide. It has helped me a great deal and I am sure it will help anyone who reads it as well.”

— **Daniel Gladis**, investor and founder of the EU-based Vltava Fund, best-selling writer

“For Robert, freelancing is not a fancy hashtag. For Robert, freelance means business. His truly eye-opening book is here to help you in setting the right prices, keeping your inbox sane and preventing the most common deadly mistakes.”

— **Michal Kaspárek**, writer and editor-in-chief at FINMAG.cz

“There’s an estimate that freelancers will make up the majority of the workforce by 2027. Do you want to succeed in this new economy? By buying this book, you can make Robert your personal advisor. I don’t know anyone who could be a better guide for you on this journey.”

— **Peter Fabor**, founder of Surf Office’s international network
of company retreat venues

“A breathtaking business guide that will take your freelancing to the top. *The Freelance Way* leads you safely through valleys of failure, financial risks and tough business decisions. While climbing higher, Robert teaches you to avoid pitfalls and master the survivor’s toolkit to fix problems. Together you cross challenging spots like negotiations, pricing, and marketing to reach the peak of success, a good reputation and clients who appreciate you and your work. Standing there, up on the top, as an accomplished freelancer, you look back and know in your heart: It was worth it.”

— **Imre Jernei**, world-class brand designer, founder of the Ziijn studio

“*The Freelance Way* took my business to the moon and back. A very readable and enjoyable book that taught me how to professionalize my work.”

— **Eliska Vyhnanekova**, senior social media consultant with major brands
like Bayer and Johnson & Johnson

“I could have saved myself countless blind alleys and wasted hours; miscalculated budgets for my services; neglected self-presentation; trials of useless tools; accounting and tax-filing errors, if only Robert had written this book 10 years ago, when I left my corporate job and went freelance. *The Freelance Way* is a must-read for all of you, who are just starting to take their lives back.”

— **Radek Hrachovec**, a leading loyalty marketing expert,
The Loyalty Magazine Awards judge

“Robert is passionate about creating and realising individual business stories, taking that inspirational spark and enthusiasm for an idea and making it real. To make it real you need to understand the details and dynamics of doing business. Robert’s book is a must read, full of practical and actionable advice, allowing you to discover the entrepreneur in you and to make that passionate idea come to life. I can’t recommend this book enough.”

— **Maxwell Colonna-Dashwood**, three-time UK barista champion and
entrepreneur at Colonna Coffee, author of *The Coffee Dictionary*

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THE FREELANCE WAY

**BEST BUSINESS PRACTICES,
TOOLS & STRATEGIES
FOR FREELANCERS**

THE FREELANCE WAY

Best Business Practices, Tools & Strategies for Freelancers

Robert Vlach

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I dedicate this book to my dearest Lenka and to our son Richard – not out of fatherly sentiment, but because if he too starts freelancing one day, the age-old principles for doing business successfully will still be unchanged.

Robert Vlach



A note from Jan Melvil Publishing

To buy the e-book, other editions and translations (or if you want to have this book translated into your language) visit our website with all the updates:

www.freelanceway.eu

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CAN BUSINESS BE LEARNED?

This is a great question! But it's really three questions in one:

Can business be learned?

If so, then how?

And am I the one to teach you?

Let me answer these, starting from the core of the matter:

Business can be learned, and you can learn it too.

It's not a matter of luck or talent, but a set of skills that lead to lasting prosperity and profit, when fully learned. And what is even better, the key principles of how to succeed as a freelancer are universal and therefore basically the same everywhere.

Yet when I say *learn*, I'm not just thinking of beginners. You can be a top expert but a merely average businessman, still making big mistakes after many years. Furthermore, it's still good to learn new skills, even if you've been freelancing for 20 years – like me.

➤ **WORRIED YOU'RE NOT CUT OUT FOR BUSINESS?**

I understand your worries better than you may think. I myself believed for years that I wasn't made for business. I was 12 when my parents opened their bakery in 1991. Their business plan was simple and seemingly doomed to succeed: *People will always buy and eat bread.* And they were surely right, but they didn't realize that this sector is capital-hungry while bringing little profit. They used all their assets to buy new

equipment, so once they first fired up their oven, there was no going back.

Baking is hard work, as my parents would soon learn. My dad went to work at five so there would be fresh bread on the shelves each morning. My mom worked hard to keep those shelves stocked. As a result, my brother and I didn't see them much at home for the first ten years. Such a large chunk of life sacrificed just to protect their investment.

When I saw how much time and care it took, and how many overnight and weekend shifts were involved in their business, I swore: *I'll never be an entrepreneur.*

I was already studying business at school by that time, but it only strengthened my bias. It had a strict company focus, and as such it fit with the business style of my parents. Freelancing? Forget it! Family and school influences led me to an incomplete – and mistaken – view of business that turned into rejection. And that would have been it...but for a happy accident.

► WHO AM I TO SAY HOW YOU SHOULD DO BUSINESS?

In 1999, I headed out to Spain to do some seasonal labor, but I ended up working there for several years as a web development contractor. These were pioneering times, before the dot-com bubble burst, and as a project's lead developer, I had enormous freedom to work whenever and on whatever I wanted. I sometimes even worked seven days a week, my own boss urged me to take a break. I didn't care. That was how much I loved my work.

But every project ends one day, and so a few years later I found myself faced with a decision: either enter into some kind of permanent employment, or put my skills on the open market for other clients. That idea both excited and frightened me, because after all, I had never wanted to be an entrepreneur. But at the same time I longed for the freedom to choose with whom, where, on what, and under what conditions to work. Suddenly I *could* imagine going freelance.

As I gained more experience as a freelancer, the focus of my interests shifted towards supporting my freelancing friends. I created a few websites that successfully promoted their services, which led me to another turning point: In 2005 I founded a Czech national community of independent professionals that is now among the most active in Europe and helps the 150,000 freelancers who follow it to do business better. Then in 2012, I founded Europe's first think-tank for freelancers, which meets regularly in Prague and other cities.

I've been holding business courses for freelancers for more than a decade, putting me in contact with countless professionals from dozens of fields and providing me with a view of what parts of business worry and interest them the most. I've trained nuclear physicists, introverted IT developers, extravagant artists, and ordinary bar owners — and as much as their fields varied, as solo entrepreneurs they had surprisingly much in common.

I've worked an equally long time in business consulting. I have dozens of projects behind me, and over 300 consulting cases. As a consultant, I've gotten to know the businesses of individuals, startups, and companies from all sides, including the dark ones. So I won't be telling you in this book that business is a rose garden.

The results of freelancing surveys, including our own, are another tool that has helped me to better understand this broad subject. I'll be citing some of these, along with other resources and books that can help you in business.

➤ BUSINESS MEANS SOLVING PROBLEMS

My experience has taught me not to think about business too theoretically and generally, because that often leads people astray. Instead I always ask the question:

What kind of business are we talking about?

Are we talking about a certain business approach? A certain profession? A certain person's business? These questions are in order here as well, so let me give you a precise answer:

This book is about how freelancers do business, work on themselves and their name, and sell their expertise on the free market. So it's about independent professionals with a publicly declared expertise, profession, or trade — and this is precisely why we as customers hire them.

But freelancing can also be defined in many other ways, and people commonly include into it side jobs that are done to make a little extra money, like tutoring and temporary work, along with gigs acquired through agencies or apps like Uber and Airbnb. This makes sense in some ways, but this book is mainly for freelancers who have a specific expertise

and the ambition to do business on their own, or have already been doing so for a few years.

If you've already been freelancing for a while, or you often cooperate with freelancers, you can take this book as an informal audit – search for tips and new ideas, bridge your gaps, check off what you're already doing, and fix mistakes. There are always some left.

If you're still trying to figure out which direction to launch your career, I'll offer you a realistic idea of what freelancing brings to your life, including practical recommendations on making that launch successful.

Learning to do business is similar to learning art, science, or a new language. There are no step-by-step guides, because no such thing exists in the ever-changing and complex world of business. It all starts with basic knowledge and approaches, which I'll definitely describe, but the final goal is to gain the ability to solve new problems.

Business means solving problems. So I'll describe not only the latest know-how and time-tested strategies, but also how experienced freelancers think, and what strategies they apply to stay successful even after ten or twenty years. And along the way, I'll show you so many tempting traps and dead ends that by the end, you'll be able to see them from a mile away. I'll teach you how to track success, catch it, and then bring it home with a victory cry.

You'll also learn how slow-success strategies work, and that being a reliable certainty for your colleagues and clients in our hurried age will clearly give you a strong edge. But as a business this will only work if you can make good use of your advantage.

► FREELANCING WORKS ON THREE SEPARATE LEVELS

1. *Expertise* is the core element for doing business in a profession. It's what your clients want.
2. *Administrative obligations* depends on your country and your type of business. It's what your government wants.
3. *Business* includes everything else, and getting better at it is mainly what you want.

Expertise is of course up to you. We are all experts in our professions, and we have to know their specifics. Administrative obligations, especially in areas like taxes, accounting and various regulations, vary from country

to country, and more and more freelancers are entrusting them to experts or special applications. Either one is correct. Your actual business is what I'm going to tackle head-on in this book. Together, we'll build firm foundations, then place key business skills upon them — skills like personal productivity, pricing, marketing, negotiation, and financial self-management. And I'll also add hundreds of smart tips.

Naturally no book can be a universal guide for every country, culture, profession, niche, or personal business approach (there are so many). I have dealt with this by taking into consideration the things that are more widespread and commonplace. But don't worry; the main principles apply everywhere, and most of the know-how described here will apply for your specific career.

➤ YOUR FREELANCE WAY MIGHT START RIGHT HERE

You never know when the moment will strike you. Nobody is born to do business and there are countless ways leading up to it — including your own. And then, suddenly, you can't rest until you've started going that way.

Speaking of which, my parents literally couldn't rest for a quarter-century, but their story has a happy ending. After 27 long years, they sold their well-established bakery with its own network of stores at a hefty profit, and now enjoy their retirement alongside their grandchildren. They chose their way freely, and even though it was immensely demanding, they walked it to the end. Freedom has its price.

So now you know my reasons for saying that business can be learned, that ways exist for mastering it, and that I just may have walked one of these ways long enough to be able to help you find your own. Are you ready to step forth?

YOUR NICHE IN THE MARKET

UNIVERSE

Why is freelance business more than just the gig economy?

Who comes to mind when you hear the words *independent professional*? I know *my* answer. As a boy I loved two literary heroes: Sherlock Holmes and James Herriot, a veterinarian who visited his clients throughout the Yorkshire hills and had various adventures with them. Both were their own masters, and that impressed me immensely. I wanted to be just as free as they were.

It was only quite recently that I realized to my surprise that these dreams of mine had come true. After all, Sherlock was a self-styled *consulting detective*, and as for Herriot the veterinarian, a small part of my clientele takes me from the city into the mountains. Just like him, I too sometimes set out for house calls along some winding roads. However, instead of animals, I help small businesses and local companies.

But there is a catch. While my consulting business today may *resemble* my childhood dreams, in reality it's completely different. And likewise your idea of working independently as a freelancer should be more than a beautiful dream that dissolves on first contact with market reality.

So I'll start by describing independent professionals' activities from ten different angles, to give you a precise idea that will then accompany you through the rest of the book. Take it as a crash course in the freelance economy.

➤ EVERYTHING YOU ALWAYS WANTED TO KNOW ABOUT THE FREELANCE ECONOMY (BUT HAD NOBODY TO ASK)

Freelancing is a fascinating market and social phenomenon that I could easily discuss for dozens of pages...but I'll spare you. I know from experience that this mainly interests journalists, economists, politicians, activists,

and those of us whose work supports freelancers professionally. But this level can't be skipped completely, as it's the base for important strategies that we'll discuss later.

So my solution for the following pages has been to list only the most important things that every independent professional should be aware of.

1. IN THE BEGINNING WAS THE WORD: FREE-LANCER

It doesn't matter if you say *freelancer*, *independent professional*, *contractor* or something else. These terms have minor nuances, but in everyday speech they're interchangeable, just like *freelancing*, *freelance*, *a personal* or *freelance business*, and so on. It's all about the same thing, and as we'll see, no universally valid definition of freelancing even exists, and there are far more new terms surrounding freelancing beyond these.

So the term *freelancer* is an entirely customary one, just like the derived words *freelance* and *freelancing*. Its first use, still in the form “free-lancer,” is attributed to Sir Walter Scott, who used it in *Ivanhoe* (1820) to designate a medieval mercenary warrior.

2. FREELANCER ≠ SELF-EMPLOYED

One frequent mistake is treating freelancers as identical to sole proprietors or self-employed persons, i.e. as one of the legal forms that business can take on. Many self-employed people are not freelancers. Some of them receive their work from a single agency. Some do business under their own brand (as a company). Some employ other people. And some are really employees masked as the self-employed, which in many countries is an unlawful practice also known as misclassification. In this practice, an employer forces its workers to invoice their work as if they were self-employed, to save on taxes, any national health- or social-insurance payments, sick pay, and other costs.

But the equation is also broken in its other half. Some professionals who consider themselves freelancers aren't officially *self-employed*. Some are employees and only make some extra income freelancing via side jobs or the gig economy. Or they have set up a company so that they can issue invoices for their services. Or they do contracted work that is taxed as occasional income. Or they have themselves hired out on projects as fixed-term employees. Or they combine multiple part-time jobs. Or they have only minor income that doesn't need to be taxed under local laws. Or they bill through their parents, partner, or another person.

While many freelancers do have an official self-employed status, as you can see, these terms aren't interchangeable. For independent professionals, the determining factor is their very *independence* and how they present themselves as experts on the free market. But they choose the legal form for their business depending on what is best in terms of taxes or other issues.

This is nicely illustrated in the 2016 British survey *Exploring the UK Freelance Workforce* by IPSE, which treats freelancers as a sub-section of the wider self-employed workforce and states openly that “there is no official, legal or commonly accepted definition of freelance status which exists in the UK.” It thus defines freelancers as “self-employed workers without employees working in a range of managerial, professional and technical occupations,” amounting to a total of two million such freelancers, or 42% of the entire British self-employed population and a mere 6% of the UK workforce.

3. DEFINITIONS AND STATISTICS VARY WIDELY; THE BEST TO DATE IS MCKINSEY'S

While Britain's IPSE works with a conservative definition, the American Freelancers Union chooses the opposite approach, with the *widest possible* definition of freelancing. They count everyone with even a *side income* on the free market as a freelancer. Almost 57 million Americans — a third of the entire labor market — fit this generous definition in 2018, according to their *Freelancing in America* survey. This survey divided freelancers into five categories:

1. *Diversified workers*, who combine part-time jobs with other income
2. *Independent contractors*, i.e. “traditional” freelancers with no employer (the quotation marks are theirs)
3. *Moonlighters*, who earn a bit more by freelancing on top of their main job
4. *Freelance business owners*, who have employees but still consider themselves freelancers
5. *Temporary workers* hired through an agency

This ultra-wide definition has its pros and cons. While it makes it easier to follow the trends, it also includes tens of millions of basically stably employed Americans who likely wouldn't call themselves freelancers into the freelance economy alongside “traditional” freelancers.

And indeed you would struggle to find Uber drivers, students occasionally tutoring their classmates, or people babysitting for a few bucks once in a while among the Union's members. The Freelancers Union's members (I'm one of them) are clearly mostly those "traditional" freelancers. Their 2014 *Independents United* report states that a dominant 38% of their members are artists and creatives, 25% are in services and sales, 13% are writers and editors, 13% work in tech and web development, 5% in health care, and only 11% in other fields.

The European Commission (and thus the EU) does not define freelancers. Meanwhile, the European Forum of Independent Professionals state on their site that "independent professionals (often referred to as freelancers or contractors) are highly-skilled self-employed workers without employers nor employees." In an internal document they add, however, that "they are not a homogeneous group and as such, they cannot be considered or investigated as a whole." It couldn't be put better.

Somewhere between the conservative definition, the ultra-broad one, and none at all you'll find the golden mean in the form of the best analysis of the freelance economy to date on both sides of the Atlantic. The extensive 2016 study named *Independent Work* from the McKinsey Global Institute provides a sensitively handled taxonomy of freelancers and a comparison with other research. It makes the sober estimate that about 13% of the American job market is fully freelance (27% including side jobs), and reminds the reader that there were more independent workers in advanced economies in the past than today — up to 45% in the US by the beginning of the 20th century. You can also find additional quality sources of data on the Gig Economy Data Hub.

Yet if you consider yourself a freelancer or an independent professional, don't worry about the definitions. Your self-definition is more important than what box you're placed into.

4. YOU ARE YOUR CAPITAL

Freelancing isn't capital-intensive. The vast majority of freelancers start with a reserve on their bank account and with the equipment they use for their personal needs: a computer, a phone, a car, a home office, etc. How can this be? It's because we are our own true capital.

Yes, we need a lot of capital, but it's *personal* capital, not money or physical assets. It includes expertise, qualifications, skills and know-how, education, tests and certifications, as well as time, practice, experience, strengths, contacts, references, and even our reputation.

The market desires this capital and is willing to pay well for it, especially if you have the required expertise. If you don't have any, or there's not enough demand for it, this pushes prices downwards. A lack of personal capital then means a lot of pain for very little gain. Without qualifications and other characteristics that increase a professional's value (and thus price), the market will wear you down with badly-paid work, and customers will think twice before handing you large responsibilities. Everyone who starts out like this quickly feels the need to learn new skills, specialize, differentiate, and maximally increase their market value.

Naturally you need money to open a cafe, equip a workshop, or buy expensive professional software. And if you are restoring historical samurai swords and selling them to collectors, like one of my clients does, then you'll be breaking every piggy bank in reach just to have a few swords in stock. But these are the exceptions that prove the rule.

Most independent professionals make do in business with who they are and what they know. So don't look at your business as something external – as a firm you can shut down or sell.

You'll find truly *independent* professionals mainly in fields that focus on skill and talent – in creative, media, and technical professions; in marketing, management, and administration; in personal services, education, and consulting. These are often well-paid activities performed by the well-qualified, in many cases primarily as intellectual work or on a computer (so called *knowledge workers*). Less represented are more capital-intensive fields like the trades, leasing assets, manufacturing, or trading.

5. THE HOLLYWOOD MODEL: TOP FREELANCERS COOPERATE

Just because a freelancer is the pillar of their business doesn't mean that they work alone. Not at all. Freelancers cooperate intensively. Those succeeding have constant helpers or partners or an informal support team. And they themselves join the teams of others.

And there are even cases of personal businesses that have blown up to enormous proportions. Globally successful artists, such as Bruce Springsteen, have large production teams around them, and with such a team's support, The Boss earned a remarkable 75 million dollars in 2017.

And it's not just artists. Professor Robert Cialdini is another example; his book on manipulation, *Influence* first came out in 1984 and is still one of the best-selling titles on Amazon. His service company Influence at Work offers training, certification, and workshops, but its heart and face

are, of course, Cialdini himself. Just look at what one exceptional book can do!

Interesting things happen when freelancers cooperate on a large-scale. And because most film people are freelancers, the term *Hollywood model* is sometimes used for this division of labor:

“Projects tend to come together quickly, with strict deadlines, so those important workers are in a relatively strong negotiating position. Wages among, say, makeup and hair professionals on shoots are much higher than among their counterparts at high-end salons,” writes Adam Davidson in his 2015 article *What Hollywood Can Teach Us About the Future of Work* for The New York Times, and notes: “The Hollywood model is now used to build bridges, design apps or start restaurants.”

The great advantage of this model is that a film studio can have far fewer permanent employees than before and only hire expensive experts when it needs them. And the experts are also satisfied, because more productions are competing for their services, and unions negotiate their minimum rates. They earn a lot — but they also have to care all the more about their reputation, professionalism, and expertise. You can see the results in your cinema.

6. WE BEAR THE BURDENS AND HERITAGE OF ANCIENT SMALL-BUSINESS TRADITIONS

What applies to the success of an independent professional today doesn't differ too much from what already applied to the success of a free tradesman back in Roman times. They too had to know their craft, produce quality goods, and care for their reputation to keep their customers, gain new ones, and prosper. They likewise had to know how to calculate their costs and profit, pay helpers, invest in tools and equipment, manage any debts, and place some money in a reserve for unexpected expenses or losses. And naturally they had to fulfill their promises and obligations.

Whether we realize it or not, as independent professionals we are inheritors of small-business traditions whose roots lie in antiquity. Professor Rufus Fears describes Roman livelihoods during the *Roman Peace* under Caesar Augustus around 0 AD in his gripping audiobook *A History of Freedom* like this:

“From Rome itself out to the provinces, there is a strong middle class. Anyone who walks through the excavations of Pompey or Leptis Magna, of any Roman city like Ephesus or Timgad, sees house after house built by people with money and stability,” says Fears. He further explains that it

was also possible to achieve and maintain a higher social standing because ordinary Romans worked just two days a year to pay their taxes. And that they could also invest their capital: “Capital gains are not taxed, interest is not taxed. You could take your money to a Roman bank (and they existed) and earn 6% interest. There are the equivalents of joint stock ventures. You could buy 10% of a merchant venture going out to Palmyra in the east. Now, it might fail but there’s a good chance, because of the Roman Peace, that it will succeed and this will bring you back twelvefold on your investment,” adds Fears.

This heritage stretching back over 2000 years (and in some parts of the world even longer) is both a blessing and a curse for us modern professionals, because over that time it has become an integral part of our culture. We all have a clear idea of how an independent professional should behave.

Part of our heritage is the idea that an ordinary person can only excel in one field – a prejudice further strengthened by the medieval guilds, which regulated or directly limited the ways of conducting a business freely. Anyone who alternated trades was perceived and hired as a helper, and certainly not a master of a demanding profession.

In our modern age this opinion is again strengthening with the rapid development of most fields, which increases the pressure to specialize. It’s logical to assume that if an expert is to stay up to date, they have to work on their profession 100%. You probably wouldn’t want to have your eyes operated on by an editor who does eye surgery as a side job, right?

I’m not saying that you can’t be good in two or three different fields. But a customer might see it as a real issue. A professional can certainly be superb as both a cosmetician and a financial advisor, but when you present yourself that way publicly, you probably won’t convince many people. It’s hard to fight against prejudices, and so most experienced professionals naturally accept this for what it is. They put their main expertise at the fore and the others in the background, or separate them completely.

Thanks to this historical heritage, customers understand that an individual business is based on the efforts of one person, who had to start somehow and learn something, who improves and grows, who has only one reputation and can lose it if they don’t work honestly. So it’s in your own interest to never destroy the basic trust that your customer places in you, that is, that you are an honest and qualified professional, improving in your field long-term.

7. YOU TOO SPEAK FOR FREEDOM BY DOING BUSINESS

The beginnings of the new freelancing trend can be seen in the West starting in the 1960s, with the rise of a generation worshipping individualism, consumerism, personal freedoms and needs. (Adam Curtis covers this ingeniously in his 2002 BBC documentary film *The Century of the Self*.)

This generation dusted off the ideas of classical liberalism – a political philosophy that defends individuals’ freedom as a primary value. And an emphasis on personal and economic freedom and respect for civic rights and private property then leads to greater entrepreneurship.

Freedom is never a given. For example, I was born in 1978 behind the Iron Curtain in communist Czechoslovakia, where doing business was legally limited to state companies only, and you couldn’t even open your own hot dog stand, because it would be a crime. After the 1948 coup, the totalitarian state cruelly punished all forms of enterprise – forcing self-employed professionals, property owners, and free-thinking people into poverty, or even jails and labor camps. Later, in the 1980s, shortages of basic necessities gave rise to a shadow economy of underground service providers and smugglers. We only got our civil liberties and economic freedom restored after the 1989 Velvet Revolution, when Vaclav Havel became president.

Havel was one of a handful of intellectuals who managed to preserve the spirit of freedom despite such pressure, to revive it for us all, while also inspiring millions of other people worldwide. Freedom that is not widely applied easily dies. This is why I say that you too speak for freedom by doing business. It’s one voice out of many, but all of them together form a lion’s roar that not much can suppress.

8. TECHNOLOGIES ARE FUELING THE MODERN RISE OF FREELANCING

Moving on from philosophy, the main cause of the freelancing boom over the last three decades has been the rise of modern technologies, especially personal computers, the internet, and mobile phones. These innovations gave rise to dozens of new fields, and let existing professionals work in an entirely new way, outside their former workplaces, or for a fraction of the cost.

And soon we may see an equally revolutionary effect from the rise of things like 3D printers, artificial intelligence, robotics, automation, or virtual reality.

Not only has the internet connected formerly isolated professionals; it has also lowered the threshold for doing business. Today, online services can make the things you're bad at — maybe marketing and sales — markedly easier. Platforms like Airbnb literally bring the customer to your door and have a fine-tuned business process that covers typical risks for you and is a reliable guide for doing business successfully. All for an acceptable commission.

Online services that pair supply with demand have brought small-business freelancing to tens of millions of people worldwide. This is the globalization of work, in a sense, because in many fields distance no longer plays a fundamental role. And we're still just at the start.

The *Accenture Technology Vision 2017* annual report, for example, predicts that traditional employment will decrease as the practice of hiring external contracted workers on a temporary basis increases, and that every sector will have new leaders with small cores, less bureaucracy, and a powerful ecosystem of experts. Accenture believes that on-demand work platforms will be the primary driver of most economies and will gradually replace corporate organizational structures and management models.

The rise of *e-lancers* who work for customers remotely is already evident today. It's driven by platforms such as Upwork, Freelancer.com, Twago, Angellist, and Toptal. Their share keeps rising, but isn't major yet — a mere 1 to 4% as a primary work source in US, UK, Germany, Spain and Sweden according to *The New Freelancers 2019* survey.

9. FREELANCING ALSO HAS A DARK SIDE

Unfortunately, freelancing also has its dark side, in the form of the shadow economy and illegal activities in cyberspace. This may also affect you, if, for example, you use Airbnb and a prostitute secretly turns your apartment into a short-term brothel. This exact practice is described by Svetlana Z., a New York based, Russian immigrant, and freelancing sex worker, in her article *Sex Is Sex. But Money Is Money*: “Escorts make \$100 a hand job—but entrepreneurs like me? We make \$5,000 a night. Welcome to the new economy of the oldest profession.”

There are even worse professions. The book *Future Crimes*, by cyber-crime and security expert Marc Goodman, describes the shocking underworld of freelance hackers, who can destroy data, steal identities, or do hit jobs on their client's competition. He writes of *crime as a service* and of how the modern mafia emulates the successful approaches of online startups. But dark sides aside, the future will likely be bright.

10. THE LABOR MARKET IS GOING THROUGH A QUIET REVOLUTION

Already in 1997, Daniel Pink predicted in a visionary article, which later grew into the book *Free Agent Nation*, that the future of the US would be in freelancing. Today we can say that the quiet revolution in the labor market that he predicted is actually well under way.

There will always be people freelancing involuntarily, due to a lack of other options, and this labor destabilization is rightly criticized as a creeping social problem. But surveys show that most freelancers choose freelancing on their own and are in many ways more satisfied with their work than employees. It apparently better matches what they want from life – less commuting, more time with family or friends, flexibility, and the ability to vary their work tempo and choose on what and with whom to work.

The shift in what work style today's professionals prefer has now also been noticed by companies. The *Deloitte Millennial Survey 2017* states that while 70% of the millennials in developed countries prefer the certainty of a permanent job's income, they would ideally combine it with a freelancer's flexibility. And it notes that the number of companies offering such conditions is rising rapidly. As a result, the number of freelancers may decrease in the future due to the greater attractiveness of working as an employee.

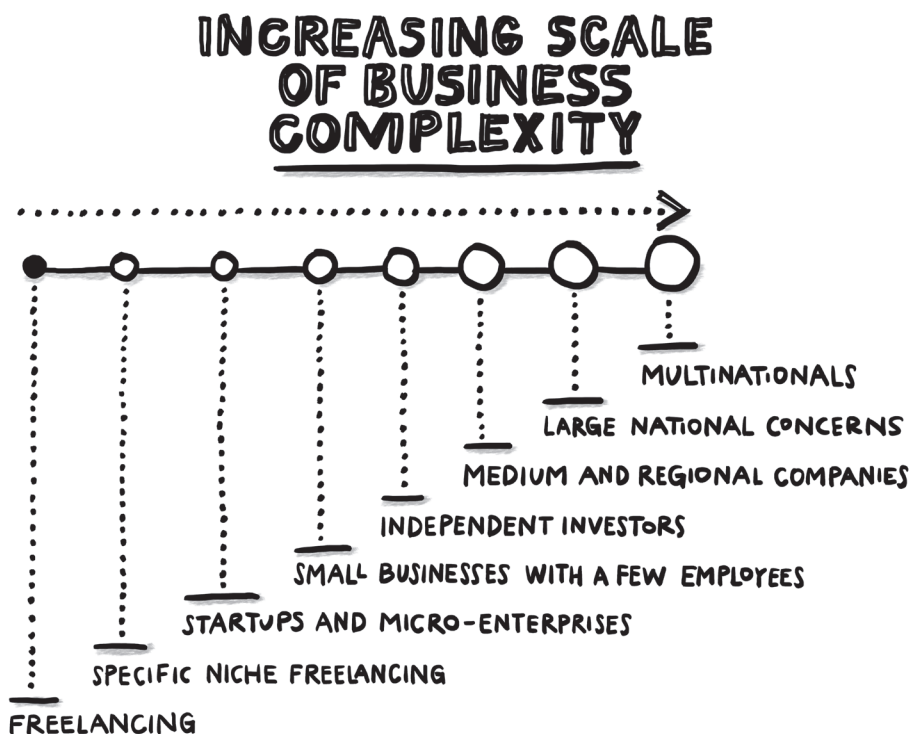
The worlds of freelancers and employees are growing closer, because it's not just companies that are changing their approach to freelancing. Most of society sees it today as a perfectly legitimate career choice and labor-market experts have long been pointing out that this is the result of a shift in white-collar career orientation. The study *PwC Work-life 3.0* speaks of a fundamental change and literally states that “talented employees were seeking freelance and contract work in record numbers.” Former British Prime Minister David Cameron put it more elegantly in 2010 in an open letter to British freelancers on their National Freelancers Day:

“I can't tell you how much admiration I have for people who leave the comfort of a regular wage to strike out on their own. It takes a lot of courage – and without that courage this country would be a much poorer place,” Cameron writes. “More and more people are choosing freelancing, recognising that it strikes the right balance between work and life in the 21st century.”

THE SIMPLEST KIND OF BUSINESS OUT THERE

Now that we've gone through an introduction to the freelance economy, it will help us to navigate as we go forward. Having a deep understanding of what sets freelancing apart will not only help you to tackle real problems from the right angle, but also to make wiser career choices in the future, when deciding whether to remain freelance or to try something else.

We will explore those differences throughout the rest of this chapter in order to see where we stand as individuals in the broad market universe. After all, there are many approaches to doing business, and freelancing is only one of them — the simplest one:



Stepping forth into freelancing, especially via occasional side jobs, can truly be easy. I've heard stories like this one from many professionals in a variety of forms:

"I was doing more and more work on the side, until one day I realized that I was actually already running my own business."

The relative simplicity is visible even more when we compare a typical freelancer to a small company or an entrepreneur with several employees acting as a company:

FREELANCE BUSINESS	COMPANY BUSINESS
Personal and knowledge capital dominate	Large capital needs are common
Often just one-off gigs and side jobs at first	Launched after formally founding the company
You can start or stop almost any time	Preparing the business takes a long time; so does ending it
Acts under their own name	The brand and its creation, protection, and promotion have costs
Safe business without debts	The larger investment often demands full personal engagement
The day only has 24 hours, and clients understand this	Time is just one factor, and multiple jobs can be handled simultaneously
Demand is managed by raising prices	Demand is covered by raising production

Time is obviously the critical factor here. When you do business under your own name, you're making it clear to your customers that you have a limited amount of it, and that makes many things easier.

The customer wants quick (or better yet immediate) service, but they also understand that a translator has to finish their current assignment before taking on an additional large translation, or that a server admin sometimes needs to sleep. A translation agency, on the other hand, takes on orders at any time, because it can delegate them, and every major web host offers 24/7 technical support by having admins work in shifts.

On the other hand, clients expect freelancers to offer flexible and personalized services, which often places us as professionals before difficult choices as to which inquiry to prioritize, or pass on, because you can't always completely please everyone.

Beginning freelancers typically have much more time than those who have been at it for ten years. Beginners have fewer gigs, and between them there is lots of room for enjoying their newfound freedom. But slowly

work piles up, and time drains away. If a professional is capable and their work is in demand, inevitably a moment will come when work takes up all of their available time.

What will you do the first time this happens to you?

You'll probably work on your personal productivity. You'll limit down-times, social media, time in cafes or post-lunch cigars, whatever... In any case, you'll free up previously unsuspected capacity that will enable you to handle up to several times more work.

But what will you do when your calendar fills up again?

This time you're already better organized, handling more work for a growing number of satisfied clients, but your capacities are stretched once again. A further increase in productivity will help you for a while, but never as much as the first time. You're suddenly faced with the decision of raising prices, adding someone to the team, or turning orders down. You have just reached one of the major crossroads on the freelance way.

➤ HOW YOUR REACTION TO GROWING DEMAND SHAPES YOU AS A PROFESSIONAL

Let's carefully examine this crossroad at the peak of your working capacity and the paths you may take from there, because it will tell us something very important about the nature of freelance business.

If you raise prices, you'll turn away those seeking cheap solutions and suppress that type of demand. But you'll also change your customers' expectations.

You definitely wouldn't expect the same from a massage therapist who asks ten dollars per hour of massage as from one who asks a full hundred, right? And if I pay a talented student a few bucks for some blog articles, I'll overlook a couple of typos that I would never tolerate from a copywriter with a fee ten times higher.

Price affects not only your quantity of work, but also its qualities. If you significantly raise your prices, your satisfied clients likely won't run away, but they'll turn to you all the more for qualified tasks that your cheaper colleagues can't handle. And they'll look more closely at your level of quality and the scope of what they're asking of you. Everyone tries to manage their resources efficiently.

Thus by raising your prices, you'll turn away people seeking cheaper, less qualified work, but you'll also be raising your clients' expectations. In other words, you're not making it easy for yourself. And yes, in order

to stand up to these higher demands, you have to further professionalize, study, improve, specialize, and grow.

Pricing pressure often does the most to truly shape professionals, because most of us want to do interesting work for good money, not routine work for peanuts. So a professional has an immense interest in maintaining the standard of living they have achieved and in taking steps that stabilize and improve it. It's in their own interest to strive to be of maximum benefit to their clients and to never disappoint them.

What happens, however, if a freelancer chooses the other path and adds someone to their team? They'll likely try to maintain, or even lower their prices while also increasing their production capacity. They'll take on new helpers, team members, or even employees.

A professional who makes this decision will likely do more managerial work and less expert work. As the work of the team stabilizes, its other members will be communicating with customers and this will push the freelancer to cover this new team structure with a unified identity or brand – in other words, to shift towards working as a company.

In practice it's all more complicated, because a professional can raise prices while also slightly increasing capacity. What is decisive, though, is which tendency dominates.

You can, however, also do nothing, if your demand is stable over the long-term. Yet this is unlikely, because freelancers with satisfied, returning customers who continue to recommend them will logically see rising demand. They would have to fail in some way, or grow against a shrinking market, for demand to stay stable. In general, it is more common for exceptionally skilled professionals to end up taking on more and more work, since unsatisfied customers around them try to get away from their less-skilled competitors. If they then can't keep up and don't maintain quality, people note it, and demand falls again. Understandably, you don't want that to happen.

A freelancer can also react to growing demand by simply rejecting good orders. Yet this is shortsighted. Even for sought-after professionals, it can freeze the flow of recommendations: "That one is great, but try someone else. She's always busy and doesn't take on new clients, not even for good money." Which is a problem if you *do* have time down the road.

The occasional refusal is OK, but if you repeatedly reject relevant, well-paying orders, it can really hurt you in terms of lost income in the future. A sensible entrepreneur won't make this mistake twice. (There are indeed some minor variations to this rule, such as with professional celebrities, and I will comment on them in later chapters.)

So the two good solutions are to increase expertise and prices as an independent professional, or to increase production capacity as more of a company. Neither one is clearly better than the other. Some people dislike managerial work and love their profession, and so they prefer to grow as an independent expert. Others, meanwhile, see expansion as an opportunity and bet on their future success with the overall income growth as a company.

Some surveys indicate that up to half of all freelancers perceive freelance work as only a jumping-off point for a larger business. From experience I can state that it depends a lot on the tax legislation in a given country. If becoming a company is disadvantageous and complicated there, freelancers will tend to avoid it.

Think long and hard about which of these directions you prefer. Many professionals blow right through this crossroad without noticing it, and if later on they notice they're going in the wrong direction, it's then harder to turn around. Or to put it more precisely: you can always expand from freelancing into a company, but the opposite is tough. Shrinking an agency or company back into a freelance business again can take several years.

This book doesn't cover building a company, but it's useful to know this context. Many famous companies, agencies, and studios began with a capable professional who started piling up an ever greater volume of work and clients. Advertising, law, design, or IT development companies arise this way all the time.

Freelancers aren't that uncomfortable either about building up their support teams, but they mainly react to growing demand via pricing and picking clients through smart business negotiations. We will dive much deeper into these topics in later chapters. Now let's explore some other specifics of freelancing.

► STUDY YOUR NICHE TO BE AT HOME THERE

Every business has its own demands. Just judging from my comparison of freelancers and small companies, you can probably see that a freelance business requires an entirely different type of know-how for success. Most freelancers don't need to understand HR, wages, or warehouse management.

This applies at all levels. The owner of a small business with five employees almost certainly wouldn't be able to manage a large factory effectively. And Mr. Factory himself probably wouldn't be a successful CEO at a multinational, let alone the visionary for a garage startup.

Even if the public has a tendency to throw all business into one pile, there are really dozens of categories, and we don't have to compare freelancers with corporations to make it clear that every business has its own needs. Looking at my overview of the relative complexity of businesses, you'll find within it two very different categories of individual enterprise.

Independent investors have acquired some level of wealth and aim to maintain it by protecting it from inflation and hopefully earning interest on it. They need investing know-how and good information, but they'll probably worry less about their daily productivity or pricing. They will need a fundamentally different set of knowledge for their activities.

Incidentally, there are lots of wealthy people in developed countries, and by their side you might find a number of freelancers specialized precisely in supporting them: various asset managers, researchers, chauffeurs, investment consultants, and more. (Peter Mayle describes this class of professionals with superb wit in his essay collection *Acquired Tastes*.)

Specific niche freelancing represents fields that demand some kind of special business know-how. This can refer to certain demanding, highly regulated trades and occupations, such as doctors and lawyers, or minor franchising, as well as art and professional sports. These end up as practically separate market niches.

Professional athletes enter into special sponsoring and media contracts, where they are once again advised by a specialist or agent. Their business also has to be set up so that they can focus fully on their training and performance. This especially applies to individual sports, where there is also a large imbalance in earnings between the athlete's relatively short professional career and the rest of their life. (Andre Agassi offers an honest view of management in individual sports in his award-winning autobiography *Open*, as does Arnold Schwarzenegger in his monumental *Total Recall*.)

Writers and artists are an equally exclusive group of professionals. They definitely have to earn their living and promote and sell their creations somehow. But far from all of them want to present themselves as commercial artists or, even worse, as entrepreneurs. So people with specially adapted business know-how are put to work in the art world too. For painters and sculptors, for instance, cooperation with an experienced gallery manager can be fundamental; writers may be represented by literary agents; and every other area of art has its own slightly different approach to the market.

Professionals active in the creative industries have a somewhat simpler situation. You can find a number of books and online resources here — for independent illustrators, designers, writers, etc. My favorite blog is

Lateral Action, from the poet Mark McGuinness, today a successful business coach for artists and creatives:

“Everyone knows Shakespeare is the greatest writer in the English language. But did you know he was also a highly successful entrepreneur? The young Shakespeare left his rural home town to seek his fortune in London. In common with many entrepreneurs, he didn’t have the benefit of a family fortune or a university education – just his talent, ambition and an enormous capacity for hard work,” he writes in his article *The Shakespearean Guide to Entrepreneurship*.

“In the course of his career in the great city, Shakespeare became a shareholder in an acting troupe called the Lord Chamberlain’s Men, who beat off fierce competition to become the most famous and successful theatre company in the land. They played to packed houses of paying customers and received regular summons to perform before Queen Elizabeth and King James. Shakespeare rose from the ranks of commoners to the status of a gentleman, taking great pride in the coat of arms he was awarded. And he earned enough money to buy the biggest house in his home town and retire there in comfort. This story doesn’t quite fit the Romantic image of the starving artist or the poet wandering lonely as a cloud – but Shakespeare lived 200 years before Romanticism, so perhaps we can forgive him,” writes McGuinness with a hint of irony towards the unrealistic ideas of uncommercial charity in art, and goes straight on to deliver a cannonade of business tips inspired by the Shakespearean legend.

Another online resource for creatives, and especially writers, is Steven Pressfield’s blog, in which he occasionally uncovers the field’s customary rules and gives day-dreaming amateurs a healthy dose of reality. In his article *The #1 Amateur Mistake*, for example, he explains why you should never send successful artists like Bob Dylan unsolicited samples of your creative work. Hundreds of such recordings go straight to the trash so that Dylan can’t be accused of plagiarism if he happens to work on an album and unconsciously uses someone else’s musical motif that has gotten stuck in his head. Pressfield states that amateurs’ greatest mistake is precisely their disinterest in the business rules of the field of art in which they want to succeed.

➤ UNIVERSAL BUSINESS KNOW-HOW? NO SUCH THING

Business know-how differs not only among businesses of different sizes, but also among individual fields. Knowing this is fundamental.

It’s in our best interest, as freelancers, to seek out and absorb know-how that is highly relevant to freelancing *in our own field*. For all other sources,

we need to either ignore them, or learn to interpret them correctly. That is, for know-how in a distant field of business to be of any use to us, we need experience and knowledge to be able to adapt it sensitively, just as when a musician transposes a composition for a completely different instrument.

Take for example popular selections of the type *30 Business Tips from 30 Successful Entrepreneurs*. They might be great tips from greatly successful people, but not all of them can serve your needs when they are doing business in various fields, with one owning a billion-dollar business and another a hat-making shop. After all, you wouldn't go to the dentist for new eyeglasses. And the same applies to books, which are often primarily focused on companies or startup businesses.

Using the right know-how in the wrong place is a common freelancer business mistake. And these tend to be mistakes with unpredictable results. For instance, I once met a professional who built websites, but left customer support to other freelancers, a bit in the spirit of outsourcing services. In practice, however, there was no contractual agreement on who had final responsibility for the sites, and when a fundamental problem appeared, neither side took responsibility for it. The result was an angry customer and a ruined reputation.

Or there was a senior developer who hired a sales representative — who then went on to send out sales proposals in his name, but full of mistakes and unfounded nonsense. Once again it was a good idea taken from the business world, but inapplicable in practice for freelancing, where the customer basically expects to communicate directly with an expert, and not with the halfwit who run errands for him. (Naturally if you're a world-famous author with a literary agent that is an entirely different situation.)

Misapplied know-how is also common among, for example, foodie freelancers making small delicacies. These enthusiast-craftsmen are often worrying about brands, slogans, domains, responsive websites, and elaborately designed packaging before they even have three paying customers. Perhaps they should be improving sales and their product or production process, leaving the brand-building until later when they are dealing with more customers?

Another frequent mistake among professionals is that even though they are doing business entirely on their own, they mask their activities under a company-like brand in an effort to gain a dubious advantage, and it ultimately looks laughable. Customers then tell each other with a wry smile: "It's named the Hercules Group, but really it's just Bob Smithers from the next town over."

So choosing appropriate know-how is a fundamental habit that you should pick up to prevent serious mistakes and wasting resources. These aren't fatal mistakes, but they'll definitely put you off-track.

Experience has made me skeptical of the abilities of ordinary freelancers to adapt business know-how intended primarily for startups or companies. It's not just about the individual procedures here; it's also about the needed skills. Company practice regularly draws from the advanced abilities of a whole team, while freelancers usually have to handle most steps themselves, or manage their own team – which itself requires managerial skills and money.

One tenth of them perhaps can handle it, but for the rest it's best to turn directly to appropriate sources where this know-how has already been adapted for freelancers.

► FEELINGS CAN'T BE MEASURED

There is also one more divide between business by companies and individuals: people are beings of flesh and bone, while companies are not. Companies are born of the cooperation of many people and groups, whose interests and opinions often differ dramatically. An owner surely views their company differently than an ordinary employee, while management, shareholders, unions, and the State also have their say.

So that all of them can agree somehow, the language of numbers dominate in company dialogue, giving it a sensible, objective basis. So we have record profits? The unions demand a wage increase. That is rational and fair. This is why companies measure everything, and great key performance indicators are in their logical interest. A good company is a fine-tuned, well-oiled machine that is also being pushed towards greater efficiency by its competition. And nobody is playing on its feelings.

As freelance professionals, we have an undeniable advantage over companies in that we can manage our business based on both measurable indicators and subjective feelings, whether others like that or not. And not only *can* we do it, we *do* do it – a lot. The top ranks in all surveys of freelancers' motivations for freelancing are held not by money and material security, but by purely emotional values such as independence and freedom, time flexibility, and the ability to do what they enjoy, work anywhere, be their own master, and have their future in their hands. Finances are taken into consideration, but generally not in first place.

So when you ask independent professionals where they see the benefits of their status, the variety of their answers will surprise you. Some

emphasize fulfillment from work well done, others the unrestricted possibilities for professional growth, learning new things, or their reputation and the respect it brings within their local or expert community. These are all things that, while hard to measure, can be felt and experienced.

And there are also professions that, while poorly paid, provide such a strong feeling of satisfaction that people stay in them even when more commercial work would pay much better – for example literary translations.

The ability to balance emotional and performance standpoints is a luxury unknown to even many agency or company owners, including family businesses or partnerships of several owners. You can't measure the feelings of freedom or pride, but for us independent professionals they are just as tangible as a balance sheet or an annual report.

Thus, if you want to introduce some kind of corporate know-how into your freelancing, always remember that large companies must think and act differently. Their management is rooted in achieving measurable objective goals – in terms of money, performance, or profits, not feelings. And if someone isn't performing, they're replaced, and things move on.

We, however, can't cut off the emotional side of things so easily. On the contrary, it's in our fundamental interest to work and live a balanced and satisfied life, because we are irreplaceable for our business.

➤ WHERE TO SEEK ADVICE, AND THE IMPORTANCE OF MENTORING

If you're thinking seriously about doing business, I recommend cooperating from the start with an experienced accountant or tax advisor who can present references from other freelancers, ideally in your field. Then you'll get not only quality service, but also a number of practical tips for your field – what can reasonably be billed, how to bill abroad, typical amounts for advance payments, how to deduct the costs for a home workshop or a car, etc.

The status of accounting and tax advisors can vary from country to country. Usually how it works is that accountants handle freelancers' normal financial paperwork, while tax advisors are more expensive and can advise you on everything around taxes, or both.

The services of these qualified experts are not at all expensive, considering that they help to transfer know-how and best practices across a range of fields. And that is very beneficial, especially when you're new. Beginners often look at accounting services as a cost that they can save on by handling the administrative work on their own through an invoicing or

accounting application. But these services can also be a great aid and investment into launching a business.

A good accountant is a treasure. Having one doesn't just mean getting rid of boring administrative tasks. A good accountant will also be eager to talk with you and advise on doing many things smarter and better. A good accountant will be a friend. So choose one carefully and don't be afraid to check out two or three recommended experts and see which one sits better with you on a personal level.

If you're working in a field that is somewhat regulated or that faces larger risks than ordinary services, it pays to supplement your accounting or tax advisor with a consultant specialized in meeting regulatory requirements. This can apply for work safety, health, etc. Every field has its specialists.

Law and consulting services can be several times more expensive than accounting services, but there are many reliable lawyers who aren't expensive. In the US and several other countries, there are also subscription platforms like RocketLawyer that offer templates, contract editing, etc. in addition to their legal consulting.

The services of the more expensive consultants can be priceless if a brief consultation saves you a ton of future problems and worries. This is why in general I recommend consulting mainly on those decisions where you fear a risk and those that can affect your business — and life — for several years to come.

For beginners, choosing a business consultant is harder than finding a lawyer or tax advisor, because this is a less-regulated market. But I can tell you one trick that works among us consultants. Seek a consultant recommended by other, senior consultants, ideally in the same field. After all, consultants are best at judging the expertise and work quality of their peers, especially if it is someone they occasionally meet on assignments. Sometimes you can also connect with experienced yet affordable consultants through membership in your local chamber of commerce or other business communities.

Consulting is a service like any other, through which you pump time-tested know-how and another expert's smart recommendations into your business. This is especially beneficial in fields that are far removed from yours, such as accounting, law, technology, etc.

But it's not so common to hire consultants from your *own* field. And yet this too can be a wise option when a more experienced peer is offering consulting and you're just starting out. More common within a field is *mentoring*, where an experienced professional leads or inspires a junior in some way.

Mentoring is about the informal transfer of experience, including various tricks and customs that experienced professionals know, but almost nobody publicly talks or writes about. While in the past this transfer took place naturally and spontaneously, from a master or teacher to an apprentice or pupil, today expert education is the domain of schools and educational institutions, and it's not a sure thing for professionals to have mentors.

A mentor isn't a consultant. They are a professional who is farther along than you and whom you view correspondingly. At the same time, they should be someone who can be not only a professional model, but also a role model and a psychological support.

A mentor's role is thus informal, but important. They offer an opportunity to talk about things that are uninteresting for the people around you or close to you. And since this is a private connection between two people, mentoring can take on many forms. Some people have their parents as mentors in a family firm, for others this may be a long-term relationship with someone more experienced in business.

In any case, mentoring is advantageous for both sides, because the mentor assumes the status of an authority and gains an important ally for the future.

You can certainly encounter paid mentors (it's sometimes called *business coaching*), but the informal and unpaid kind is paradoxically often more worthwhile. I personally probably wouldn't ask someone to be my mentor or business coach. These relationships arise and work better based on a shared interest, friendship, and sympathies. The initial impulse can be reading a book or taking an interest in someone's work, article, or lecture. Or it may be someone from your local professional or coworking community.

Find a mentor. I mean this seriously. This is one of those things that likely nobody is advising you to do, and you might be afraid to do it yourself. Your mentor doesn't have to be a celebrity in their field; an experienced colleague whom you respect for what they have achieved is enough.

I think it's best to respectfully contact that person, explain that you're just starting out with freelancing in the same field, and ask if they would be willing to devote a little time to you someday and answer a few questions or advise you. The word *mentor* doesn't even have to come up and there is no long-term commitment in it for either of you.

Even if someone turns you down at first, don't worry needlessly; sooner or later, someone else will help. There is far less rivalry among freelancers than there is among corporate clans. Collegiality and willingness to cooperate, support, and help all dominate.

► CHOSE WISELY AND LEARN FROM THE BEST

But a little skepticism is in order when absorbing know-how in fields that are still growing, such as IT and digital marketing. The seemingly endless demand and tidal waves of work and cash inevitably reduce the need to develop business skills, create reserves for bad years, and generally build one's business robustly to make it resistant to risk.

In a field that is constantly rising, every second entrepreneur can look successful. Just look at their price and status! But a rising tide lifts all boats, and as Warren Buffett says, only when the tide goes out do you discover who has been swimming naked. You don't tell a good entrepreneur by how well they're doing when the whole market is rising, but by how they handle hard times.

Also, be wary of people, who are great only in hard-selling themselves and their advice, but have no significant history in selling or managing anything else.

So I would advise a cautious stance regarding business tips from people who have little experience and, even if they act successful, have never had to handle major business problems. Short-term success can be about chance or good market conditions. It can also be about real strengths, but only time will tell.

Of course it makes sense to listen to anyone who wants to share their experience. Just be sure to think about how their (or your) business and the whole field could look after a few years of recession. The most valuable tips come from people who have made it through the ups and downs of the market.

When I say that, in your own interest, you have to carefully choose relevant sources of business information, this is triply true for the web. Try finding a few freelancers from your field who have been writing a long time about their business, because their experience and conclusions will likely be quite relevant for what you're doing. You can sift through them to find field experience that probably won't be as well-described elsewhere.

With general blogs for freelancers, quantity unfortunately pushes out quality. Some of them spew out low-quality content outright — *10 Tips on Doing This, 5 Steps to Achieving That*. Honestly, reading these articles is a waste of time. The Freelancers Union blog is solid, as are the occasional freelancing articles published in the better business media. But they are hard to dig out. Sometimes you'll find a truly valuable article or tip, but the overall quality to quantity ratio is just sad.

"When you're studying internet marketing, and in fact any field, prefer quality over quantity," writes Jindrich Faborsky, the organizer of

Europe's successful Marketing Festival. "What do I mean? The internet is full of articles, videos, and e-books, and the goal of most is not to educate, to provide new information, but to make money, get email addresses, or at least to bring in visitors from search engines. In my company and at the university, I see how marketers grow, and I notice how real growth arrives only for those who can distinguish beneficial content from spam. Only for those who study quality content and learn from true experts, and who ignore the 99% of information that's worthless, irrelevant, or unfounded nonsense."

Language plays an important role here too. Globally oriented sources for freelancers and experts are mostly in English and may be less relevant in some local contexts. Learning another world language (or even less widely spoken one) could therefore be a great, unexpected benefit. It may enable you to access other quality sources, giving you a much broader perspective in almost any field, not speaking of multiplying your opportunities.

Out of the general books for freelancers, I would recommend *The Freelancer's Bible*, written by the Freelancers Union's founder Sara Horowitz in 2012, which is a distillate of years of experience and contact with countless freelancers. Books for freelancers in specific fields can be very beneficial (just look for *freelance writer*, *illustrator*, *designer*, *developer*, etc. on Amazon), as well as good books on specific business areas such as negotiations, sales, or time management (I mention some of the best ones within this book).

Books can also go into greater depth and explain difficult matters much better. When I can choose, I personally prefer them over short blog posts or podcasts. If you are looking for something in between these options, check out the titles from The Great Courses or MasterClass where leading global experts and professionals share key insights from their experience and know-how.

Last but not least, turn to training from experienced independent professionals who have started offering training courses alongside their practice. Their courses often serve freelancers best, because they are working from their own findings on freelancers' needs. Courses like these can bring you both expertise and the benefit of meeting another successful professional willing to share their business know-how.

There is lots of information out there, an almost unlimited amount, but only a fraction of it is truly relevant for you. So choose the best and ignore the rest, or sift through it finely. And regularly ask your colleagues what works for them. Mistakes that comes from applying inappropriate know-how can really hurt. And not just financially. They can damage a freelancer's greatest treasure – their *good name*.

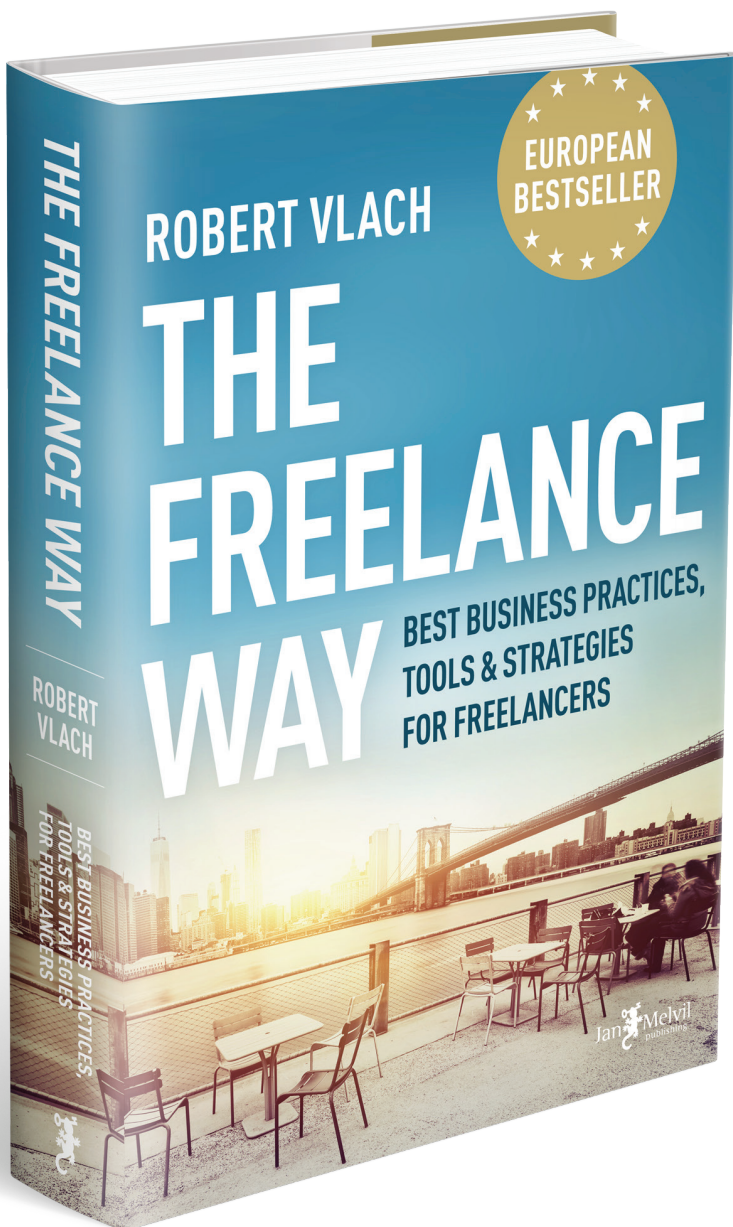
KEY IDEAS

1. The ability to orient oneself in the freelance economy is useful for every freelancer.
2. An independent professional works on themselves and their good name within a clearly defined area of expertise.
3. We are the inheritors of ancient small-business traditions, and these govern client expectations.
4. Freelancing is the simplest approach to business out there. But it's not easy.
5. Independent professionals grow primarily in their expertise and price. The alternative is expansion.
6. Freelancers, unlike companies, can emphasize their feelings and other immeasurables.
7. One frequent mistake is to apply know-how from other types of business to freelancing.
8. The most valuable know-how comes from freelancers in your field.
9. This is why it's important to have a mentor, a good accountant, a lawyer, and possibly other advisors.
10. When it comes to business tips, be choosy and quick to ask your colleagues what works for them.

PRACTICE

I have attached some practical tasks and suggestions to the end of each chapter in order to help you to put the advice from this book into practice. While there are a much greater number of best practices mentioned in most chapters, these closing ones may help you to start off with something easy, useful, and applicable for most freelancers.

- ✓ Check out the latest *Freelancing in America* survey.
- ✓ Research quality sources on freelancing in *your* field, starting with surveys, books, courses, lectures, blogs and podcasts. Then focus on the best three or four only, to limit the time invested as well. Ideally, do this in each language you know.
- ✓ Look for a good accountant or tax advisor to discuss your freelance business. If you're facing larger risks or uncertainties, consider also talking to a lawyer or other advisors.
- ✓ Find a mentor – an experienced freelancer in your field, who you trust and admire, and who would be willing to tell you a thing or two that often no one ever writes about.



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