

Penny Lange Lecture

This paper summarizes the three main points of Penny Lange's lecture on freelance technical writing given on January 23, 2009. Penny's lecture covered the issues and challenges freelance technical writers face, when owning and operating their own business.

Penny has been operating a successful business for twelve years, and currently has nine associates working for her—Penny earns a percentage of her associate's daily rates. This summary will cover the following: 1) contracts, 2) running your business, 3) agencies, and 4) conclusion.

Contracts

Penny's experience has taught her that short-term contracts can quickly lead to employment—especially with start-up companies. This is why short-term contracts do not usually last—because they are looking for full-time employees.

The majority of Penny's contracts are long-term. The majority of her long-term contracts usually come from big companies or the government. Penny warned that Revenue Canada red-flags freelance writers who earn more than 80% of their income from one client. To avoid being red-flagged, Penny works for several clients at the same time.

She also warned that big companies are not concerned about burning you out since you are not their employee. For this reason she says it is important to set your boundaries in the contract—stipulating what you *are* and *are not* willing to do.

Before signing a contract, she researches the company to become familiar with their business. It is important to understand how well the company is established, what they do, and how their business ties to current economic conditions. Penny has walked away from many companies with bad reputations, or companies she feels are just too risky to deal with. Most businesses fail within the first five years. If a company goes bankrupt while working for them, you could potentially not get paid.

Contract work requires you to learn the client's product very quickly. Penny notes that you shouldn't be ashamed to be the "village idiot" for a short period of time. She also mentioned that software tools are divided into two categories: standard tools and specialized tools. These two categories of software tools are summed up in a term known as Ramp-Up.

Ramp-Up is the amount of time spent learning new software tools in order to complete the contract. Ramp-Up time spent learning standard tools is not billed to the client; however, time spent learning specialized tools used only by the client's organization is billed to the client.

Penny believes it is important to make her clients feel special. She has a cardinal rule, and never mentions a client's name to other clients; however, this cardinal rule is sometimes broken to let them know she is not their employee.

Before signing a contract, Penny usually changes at least one clause—she likes to show them she means business. It is not uncommon for clients to try and stop her from working with competitors, but she will not allow this and has the clauses removed from the contract.

Running Your Business

Although Penny can make her own hours, she stresses the importance of maintaining core hours during regular business hours—so clients can reach her. She runs an incorporated business and suggests that it is better than running a sole proprietorship.

I asked her why, and also asked if it had something to do with limited liability. She went off into great detail, but never answered my question. From what I pieced together, I assume that incorporating allows you to write off more business expenses, makes taxes easier when dealing with Revenue Canada, and simplifies contracts when dealing with incorporated companies.

Penny stresses the importance of having money saved in the bank to deal with payment delays or other unforeseen circumstances such as delinquent accounts due to bankruptcy. Bigger clients take two months to pay their invoices. Smaller companies usually payoff invoices faster. For freelance writers starting out, payment delays can have devastating effects.

Waiting up to six months to get paid is not uncommon, and neither is becoming friends with the people in the finance department. Although staying on-top of your invoices is important, it should never interfere with deadlines.

Penny finds business accounting complicated; therefore, she hires an accountant, and outsources any work she is not good at. She recommended that we do the same and mentioned the following: companies earning less than \$30,000 per year do not have to register for a GST account, and registering with the Society of Technical Communication (STC) is an excellent way to network and bring in new business.

Agencies

Agencies find contracts for freelance writers, and take a cut from the contractor's pay. Agencies usually do not tell the freelance writer the amount of their cut. Sometimes it can be as high as 50% or more; however, agencies give freelance writers the opportunity to make more than they would regularly, and get them into companies they could never get into on their own.

Penny refuses work from agencies that do not tell her the amount of their cut, and recommends finding a personal agent to get around this; however, finding a personal agent is becoming increasingly difficult since agencies are using databases to manage freelance writers. To keep work steady, Penny recommends looking for work while still working on a contract.

Conclusion

Penny does *not* describe herself as a contractor because contractors usually work onsite. Instead, Penny describes herself as a freelance writer who works from home. Over the last few years freelancing has become increasingly popular—due to the substantial savings companies realize for outsourced work. In-house employees require workspace, office supplies, computers, software, etc. Freelance writers do not.

Freelance technical writing is a fast paced career choice that requires continuous learning, and is *not* suited for everyone. Freelancing can be risky and sometimes uncertain; however, Penny claims her freelancing career has given her more control and security over her financial future.