Working as an Independent

- Types of contracting
- Are you freelance consultant material?
- Working as an independent vs. as an employee
- Starting your own business
- Resources

Types of contracting

- Long term (W2 through agency or directly)
- Short term (W2 through agency or directly)
- 1099 (your own business)

Are you freelance consultant material?

1. What services can I offer?
2. Is there a market for my services? Locally? Elsewhere?
3. What equipment do I need to do my work? Will I pay with a loan, my own money, or some other way?
4. Where am I going to work?

Are you freelance consultant material? (Cont.)

5. How long might it take to establish a regular client base?
6. How will I survive in the meantime?
7. How does the economic climate affect my business?
8. What kind of insurance do I need? Life, health, disability, liability, other?

Are you freelance consultant material? (Cont.)

9. Do my clients require me to have any special insurance?
10. How do I prepare for retirement?
12. How will I handle taxes? This year? Next year?

Are you freelance consultant material? (Cont.)

13. How will I handle growth?
14. Where will I get my customers?
15. How much should I charge?
16. How do I bill?
Working as an independent vs. as an employee

<table>
<thead>
<tr>
<th>Independent contracting</th>
<th>Full-time employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>You select your projects and work schedule, but you must always look for the next project.</td>
<td>Your supervisor assigns projects and usually you'll have all the work you need.</td>
</tr>
<tr>
<td>You must be a self-starter and self-disciplined.</td>
<td>Your employer structures your time and assignments according your work hours and project priorities.</td>
</tr>
</tbody>
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Working as an independent vs. as an employee (Cont.)

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<tr>
<td>You can choose not to work for a client again.</td>
<td>You probably cannot turn down an assignment.</td>
</tr>
<tr>
<td>You have no “boss” to answer to (except yourself and your clients).</td>
<td>Your supervisor monitors your work and periodically assesses your performance.</td>
</tr>
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Working as an independent vs. as an employee (Cont.)

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<tr>
<td>You must buy equipment, software, insurance, etc. and pay your own taxes.</td>
<td>Your employer provides the equipment you need and withholds taxes.</td>
</tr>
<tr>
<td>You must be resourceful to find answers to questions and to keep up with new developments.</td>
<td>Your employer may offer internal training that you can attend or may pay for external training, seminars, and conferences.</td>
</tr>
</tbody>
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Working as an independent vs. as an employee (Cont.)

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<th>Independent contracting</th>
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<tr>
<td>You work on different types of projects.</td>
<td>You may work on the same project for years.</td>
</tr>
<tr>
<td>You have no steady paycheck or benefits to count on.</td>
<td>You have a steady paycheck and benefits, but beware of downsizing.</td>
</tr>
</tbody>
</table>

Starting your own business

- Form of business
  - Sole proprietorship
  - Partnership
  - Corporation
    - C Corporation
    - S Corporation
    - LLC (limited liability corporation)
- Consult a lawyer and an accountant

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Starting your own business (Cont.)

- Register your company name
  - Colorado Business Start Up Kit (303-592-5920 or www.aclin.org/other/business/startup_kit)
- Set up a business bank account
- Set up your company books
- Send for an EIN (employer ID number) from the IRS, unless sole proprietor

Starting your own business (Cont.)

- Obtain insurance (consult with 1 or more independent insurance agents)
  - General business
  - Health
  - Disability
  - Other
- Set up your office

Starting your own business (Cont.)

- Decide the services you want to offer
- Decide your marketing strategy
- Create your marketing materials
  - Business cards (at a minimum)
  - Letterhead and envelopes
  - Brochure
  - Resume
  - Web site

Starting your own business (Cont.)

- Pay quarterly state and federal taxes
- Network, network, network
- Find clients
- Do good work

Resources

- STC
  - Freelance FAQ (www.stcrmc.org/freefaq.htm)
  - Contracting and Independent Consulting (CIC) SIG
  - Resource Directory (www.stcrmc.org/pubs.htm)
- BWA (www.bwa.org)
- Colorado Business Assistance Center