

## **STC San Luis Obispo Chapter Presentation**

### **“Self Employment - A Reason For Setting the Alarm Clock or Do I Really Work at Nothing All Day?”**

**February 24, 2003**

This presentation, given by two experts with a combination of 50+ years of experience in contracting and self-employment related to writing, training, and business development, addresses the rewards and challenges of hanging out your own shingle, as opposed to working in a regular job.

The speakers are

**Michael Lujan**, Technical communications professional in technical writing, training and instruction, project management, business development and marketing, and a member of the SLO STC board of directors. Owner, On The Same Page Technical Communications.

**Carolyn Margon**, president, As You Like It Consulting, and a future board member of South Bay Women's Network and the Morro Bay Chamber of Commerce.

Mike and Carolyn address establishing and running one's own business to serve a variety of local and remote, small- to large-scale clients. They explain the challenges of working on-site (including one-on-one in a client's home) as well as telecommuting, and they will highlight approaches for the following topics that can help answer the question, "Is self-employment the right path for you?"

- **Introduction to how we got to where we are**
- **Timing is everything**
- **Deciding who your clients are**
- **Promoting yourself**
- **How to appropriate money gracefully from your clients' accounts to yours**
- **Working sessions with the client (sick client, cancellation, meeting confirmations)**
- **How do you know that we covered what we should have? (objectives vs. accomplishments; status reports)**
- **Establishing your own office (equipment, software, hardware, accounting, and insurance)**
- **Fee structure**
- **Questions we can't answer**
- **What we'll do next if this venture fails**

## “Self Employment - A Reason For Setting the Alarm Clock or Do I Really Work at Nothing All Day?”

| Topic                              | Carolyn, As You Like It Consulting   | Mike, On The Same Page Technical Communications  |
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| <p><b>How did we get here?</b></p> | <p><i>Pros:</i> Fortunately, I had already worked in a similar business that went bust in the Internet meltdown in Seattle, so I was aware of what kind of work was involved and what the issues were. I also had 10 years of experience working for Microsoft under my belt plus a couple of years teaching at the college level.</p> <p><i>Cons:</i> It takes a long time to get known, and I left behind my network and contacts of 20+ years.</p> <p><i>Greatest challenges:</i><br/>There are many. Adapting to a new culture (small town vs. big city). Convincing potential clients that my service is worth their investment. Learning new things all the time. Knowing when to say “no”.</p> <p><i>Approaches to meet the challenges:</i><br/>I let my personal exhaustion guide me. When I can’t stand up during the day, I figure I have taken on too much.</p> | <p><i>Pros:</i> I wanted the freedom to develop my own ideas and experience into a value-added service, where I could realize “exultation” from my accomplishments. So, when I was laid off from a staff position in 1987, I took the leap of faith. Also, in some staff positions, I had worked along side contractors and free lance writers who seemed more “connected” with doing quality work rather than with being a “company soldier”.</p> <p><i>Cons:</i> Continually having to market the business and stay ahead of, or at least up with, the competition; pressures of TOTAL responsibility, including insurance, benefits, scheduling vacation around client needs; attracting clients.</p> <p><i>Greatest challenges:</i><br/>Establishing credibility for being independent. “Blending in”; that is, always considering, remembering, and practicing the proper protocol (especially when on-site) and behavior to remain in touch and in focus.</p> <p><i>Approaches to meet the challenges:</i><br/>Try to keep everything within reach; not be afraid NOT to take on a project; no matter how small the accomplishment, experience the growth from it.</p> |

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| <p><b>Timing is everything</b></p> | <p><i>Pros:</i> It appears to me that there aren't many people here doing what I do. This has enabled me to receive a lot of free publicity that another kind of business might not have been able to get.</p> <p><i>Cons:</i> Like every self employed individual, I have periods of great activity followed by periods of no activity.</p> <p><i>Greatest challenges:</i><br/>Making those periods more consistent. Deciding whether to work with others to help my overload. Deciding which areas I want to cover.</p> <p><i>Approaches to meet the challenges:</i><br/>I have accepted a lot of pro bono work this year because I feel it is important to get my name out in the community and create good will for my business. After this year, I will probably not accept this kind of work, or at least scale way back.</p> | <p><i>Pros:</i> The "fields" have been fertile for most of my tenure as a being self-employed. Companies had so much to do to keep up with the market demands and looked for outside assistance.</p> <p><i>Cons:</i> When things slowed down, contractors, free-lancers, outside vendors were the first to get cut.</p> <p><i>Greatest challenges:</i><br/>Staying aware of opportunities and maintaining a working cycle of projects but not to overlap too much.</p> <p><i>Approaches to meet the challenges:</i><br/>Maintain a healthy network of contacts, including recruitment firms and key personnel within client company organizations. "Mix" smaller projects with larger ones to take up some of the slack of small spurts of downtime; for example, during documentation reviews or development for product upgrades.</p> |

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| <p><b>Deciding who your clients are</b></p> | <p><i>Pros:</i> I primarily see myself as a personal computer trainer in the same way that a personal trainer works on fitness. I work on getting the most out of the computer you already own. However, I am often called when people have gotten themselves into a mess; i.e. their Internet connection has stopped working, their grandchild has thrown all their files in the trash, or their hard drive is about to crash. I try and weed out those clients and refer them to better resources than myself.</p> <p><i>Cons:</i> I have had many sessions where I have driven a long way, worked on their machines for a couple of hours, and have not been able to move the client forward.</p> <p><i>Greatest challenges:</i><br/>Getting good clients who will offer repeat business and good referrals.</p> <p><i>Approaches to meet the challenges:</i><br/>Up until now, I have not charged those clients whom I could not help. However, they do take up my valuable time where I could be working with paying clients, so I have decided to institute a \$40 fee for my just showing up, whether or not I can help them.</p> | <p><i>Pros:</i> The opportunity to do projects with the “Big Guys”; learning new technologies (such as Voice Messaging (Centigram), Biometric Security Systems (Identix), and Pentium (Intel)); long-term projects (1 1/2 yrs); short-term projects (2 weeks).</p> <p><i>Cons:</i> Getting in over your head; project is “too simple” (not challenging or stimulating); too many clients at once.</p> <p><i>Greatest challenges:</i><br/>“Juggling” projects; coming up short with regards to delivering what the client expects.</p> <p><i>Approaches to meet the challenges:</i><br/>Try to clearly define not only the deliverables, but the dependencies; that is, what the client is responsible for providing as well, such as equipment, personnel for reviews, or extra training as needed.</p> |

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| <p><b>Promoting yourself</b></p> | <p><i>Pros:</i> I always carry brochures and business cards with me wherever I go. I have gotten clients from tennis games, outdoor walks, lunches, etc. You just never know when you will come into contact with someone who needs your services.</p> <p><i>Cons:</i> I spent about 3 hours with both a reporter and a photographer for the Cambrian and the piece never ran. My tv spot ran on December 23rd, not a great night for business.</p> <p><i>Greatest challenges:</i><br/>Letting people know what I do without being too aggressive.</p> <p><i>Approaches to meet the challenges:</i><br/>I think you have to have good sales literature and you should spend the money to make it look professional. I am not at all convinced at this point that I need a web site because if someone can find me on the web, they are already too advanced for the services I offer.</p> | <p><i>Pros:</i> Giving your business a good look and feel; literally promoting the business (that is, not having to wait for a boss to give me a raise).</p> <p><i>Cons:</i> Looking bad (promotional materials that don't work very well); being "seen" at all (for example, search engines that can't find your Web site).</p> <p><i>Greatest challenges:</i><br/>Realizing the self-confidence and self-reliance needed; knowing when not to "over promote"; that is, too much flash and too many "racing flames".</p> <p><i>Approaches to meet the challenges:</i><br/>Developing a Web site (<a href="http://www.mlujan.com">http://www.mlujan.com</a>), continually networking through E-mail promotional announcements, sending Christmas cards, attending networking functions; making "out-of-the-blue" contact.</p> |

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| <p><b>How to appropriate money gracefully from your clients' accounts to yours</b></p> | <p><i>Pros:</i> Because I deal with individual clients on a one-to-one basis, they pay me right on the spot. This avoids any invoicing and waiting that other businesses have to do. However, if I start servicing businesses, which looks likely, then I would do what Mike does.</p> <p><i>Cons:</i> Individual clients don't have as much money as businesses.</p> <p><i>Greatest challenges:</i><br/>Convincing people that my fee is worth it.</p> <p><i>Approaches to meet the challenges:</i><br/>I usually compare my fees with what it costs to take my classes at Cuesta where you are always in a group of at least 8 people, and you don't get to control the curriculum.</p> | <p><i>Pros:</i> "Healthy" payments; being able to plan investments for business growth.</p> <p><i>Cons:</i> Late payments; contractors usually the "first to go," sometimes running the risk of getting "shorted".</p> <p><i>Greatest challenges:</i> Establishing reasonable net payment terms (15, 30, 60, 90 days, or into the Twilight Zone); exchanging work completed for monetary compensation; don't always have income on which you can depend.</p> <p><i>Approaches to meet the challenges:</i><br/>Agree to a solid contract, with payments spelled out and agreed to; get to know the Accounts Payable folks; get a Purchase Order number, and confirm the money is available; Bill regularly (include summary of services on each invoice).</p> |

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| <p><b>Working sessions with the client (sick client, cancellation, meeting confirmations)</b></p> | <p><i>Pros:</i> I love going to people's houses and seeing how they live. I have a 2-hour minimum for house calls because it's not worth my while to come for just one hour. The down side is that a 2-hour session with an individual client is very intense and exhausting, but I have gotten used to it.</p> <p><i>Cons:</i> As I've mentioned before, there are some situations that I just can't deal with. Often it has to do with hardware incompatibility or pirated software, but I never know until I'm there whether or not I can help them.</p> <p><i>Greatest challenges:</i><br/>Sometimes it is hard to be patient, but it's also absolutely essential. Because I deal with a lot of elderly people, there's always a possibility that they will become ill during the session or even die.</p> <p><i>Approaches to meet the challenges:</i><br/>I took CPR in Seattle. Usually there's another person in the house with the client.</p> | <p><i>Pros:</i> Face-to-face expedites the processes; opportunity to network with the client company to spread the word about your services.</p> <p><i>Cons:</i> Cancellations, illness, client not prepared, I'm not prepared.</p> <p><i>Greatest challenges:</i> Fulfilling the objectives for the on-site visits; last minute changes.</p> <p><i>Approaches to meet the challenges:</i><br/>Agree on the frequency and duration of travel; explain that on-site sessions are project driven; devise a telecommuting plan addressing activities for working remotely, including tasks, completion dates, and delivery methods; identify back up contacts in the event primary contacts are unavailable; project dependencies (such as equipment and personnel); if you are working on a project for a company having limited working area and other resources, such as a computer, be sure to bring your own computer (laptop suggested), diskettes, drives for backing up larger amounts of "softcopy", and other supplies you will likely need; obtain agreement on what you realistically can complete while on-site given the amount of time available; before leaving your client's facility, review your objectives with the team participants and obtain confirmation from them that these objectives were accomplished.</p> |

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| <p><b>How do you know that we covered what we should have? (objectives vs. accomplishments; status reports)</b></p> | <p><i>Pros:</i> The client sets the itinerary, so they're usually pretty satisfied with what I've done.</p> <p><i>Cons:</i> I never know what I'm going to get until I get there. I deal with all operating systems and versions of software on the market. My specialty is Microsoft Office Product, but I'm realizing that I'd better learn some accounting software like Quicken or MYOB if I want to stay in business.</p> <p><i>Greatest challenges:</i><br/>Keeping pace with the technology. Switching back and forth between different versions of software. Remembering which client has what and what the issues were during our sessions.</p> <p><i>Approaches to meet the challenges:</i><br/>I keep an Access database and write notes in it as soon as I return from a session. I also provide written Cheat Sheets to the customer the next day covering everything we did in the previous day's session.</p> | <p><i>Pros:</i> You have the opportunity to participate in determining direction.</p> <p><i>Cons:</i> You helped to determine the wrong direction.</p> <p><i>Greatest challenges:</i> Shifting direction mid-stream; pursuing goals that are turning out to be unrealistic; just plain came up with the wrong results.</p> <p><i>Approaches to meet the challenges:</i><br/>Submit regular status reports; address project milestones and issues to keep the project on track; clarify dependencies such as personnel, equipment, meetings, schedule fluctuations.</p> |



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| <p><b>Establishing your own office (equipment, software, hardware, accounting, and insurance)</b></p> | <p><i>Pros:</i> I love being the master of my own fate. I have a brand new Dell computer with Windows and Office XP, a new Olympus digital camera, a combination printer, scanner, fax (Lexmark), and a paper fax machine which shares my phone line. I have only one line into my house which is my business line. I use my cell phone for personal stuff. I connect to the Internet through a cable modem which I purchased at the time Charter installed my connection.</p> <p><i>Cons:</i> Cable Internet connections are so fast that it's impossible to return to a dial up connection. However, the rates keep rising and because there's only one provider in town, Charter, you're at their complete mercy.</p> <p><i>Greatest challenges:</i><br/>Keeping everything up and running without spending a lot of money on service. This means learning how to do a lot of things yourself.</p> <p><i>Approaches to meet the challenges:</i><br/>I use tech support and help extensively.</p> | <p><i>Pros:</i> You can have the "toys" you want (that is, if you can afford them), and if you have a "dedicated" office, space to breath a little better.</p> <p><i>Cons:</i> Expense; realizing repair, troubleshooting, upgrading, and other "housekeeping" aspects of having your own business is up to you.</p> <p><i>Greatest challenges:</i> Staying up and running; having the right tools for the right job; purchasing <b>ONLY</b> what you need.</p> <p><i>Approaches to meet the challenges:</i><br/>Have a fully equipped office with resources for publishing hard copy and on-line manuals, presentations (such as view foils, PowerPoint slides, schedules, spreadsheets, etc.); exchanging information via DSL, MODEM, FAX, FTP, or file attachments; maintaining timely communication with clients; know a reputable service business for sales, service, and repairs.</p> |

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| <p><b>Fee structure</b></p> | <p><i>Pros:</i> I am making less money per hour here than I did in Seattle, but when I moved here, I did a market survey and put my rate at the exact median of what other people who were providing a similar service charged. I intend to raise my rates as soon as I feel I am established here.</p> <p><i>Cons:</i> I am not making enough money to live on at this point in time.</p> <p><i>Greatest challenges:</i><br/>Keeping positive about what you do. Looking for new opportunities all the time. Being totally flexible.</p> <p><i>Approaches to meet the challenges:</i><br/>I give lots of free talks to organizations where I think there may be potential clients. I teach at Cuesta because it's good exposure and I enjoy it.</p> | <p><i>Pros:</i> Not dependent on a fixed salary; can give yourself a "raise".</p> <p><i>Cons:</i> Rates and fees MUST remain reasonable (this is dynamic, not static and depends upon the market).</p> <p><i>Greatest challenges:</i> Avoiding "sticker shock" but maintaining fees that exemplify the "worth" of your service.</p> <p><i>Approaches to meet the challenges:</i><br/>Study the market (others who do the same type of work); abide by "industry standards"; that is, a certain \$ per page/per hour/per document; educate the client on the value of your service.</p> |

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| <p><b>Questions we can't answer</b></p> | <p><i>Pros:</i> This keeps me humble. Every time I think I know how to do something, I always find a situation where what I thought I knew doesn't work.</p> <p><i>Cons:</i> It's frustrating that there are so many questions I just can't answer.</p> <p><i>Greatest challenges:</i><br/>Finding the answer if I don't know it myself.</p> <p><i>Approaches to meet the challenges:</i><br/>I often use tech support of the companies whose products are in question. I'm also great with online Help. I have avoided calling Mike, although I admit it's very tempting.</p> | <p><i>Pros:</i> Raises my awareness and especially my appreciation for what others know, providing they can answer the question(s).</p> <p><i>Cons:</i> If I'm the primary source, for example, the only writer, then at times I may have to scramble to keep my head above water.</p> <p><i>Greatest challenges:</i><br/>Ensuring the client has reasonable expectations of what I can do or what I know.</p> <p><i>Approaches to meet the challenges:</i><br/>Review my qualifications very, very carefully, including my business approaches, experience, and especially my work samples. I ask questions pertaining to my responsibilities as well as those of the client.</p> |

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| <p><b>What we'll do next if this venture fails</b></p> | <p><i>Pros:</i> Any entrepreneur has to be prepared for the fact that their original idea may not work in the marketplace at the current time. Also, because I am the master of my own destiny, I don't have to worry about getting laid off.</p> <p><i>Cons:</i> THERE IS NO SAFETY NET.</p> <p><i>Greatest challenges:</i><br/>Paying my bills.</p> <p><i>Approaches to meet the challenges:</i><br/>I heard that there are personal computer trainers on cruise ships, so I have written to all the cruise line. I can also fall back on my technical writing and editing skills.</p> | <p><i>Pros:</i> If this does not continue, I will have the opportunity to look over yet another hill.</p> <p><i>Cons:</i> I don't really want to look over other hills right now. I'm comfortable, confident, and content but realize that what we believe to be "terra firma" can shift on us (I experienced the Loma Prieta earthquake of 1989 in a building of AMD, working there as a contract writer).</p> <p><i>Greatest challenges:</i> Being even more the master of my own destiny.</p> <p><i>Approaches to meet the challenges:</i><br/>I could say that failure is not an option. Realistically, though, practice and improve my methods, not just use them; try to look at everything as an "ad" venture. Consider the compromises, which I am now finding are more a part of making my living.</p> |