Out On Our Own

Section Editors:

Alistair Reeves
a.reeves@ascribe.de

Kathryn White
Kathryn@cathean.co.uk

Editorial

None of us like to think of getting older, and retirement may seem like a long way off for many. However, planning for your pension is critical if you want to ensure greater financial freedom without the need to take on so much work later in life. As freelancers, this is particularly important since we don't have access to employer pension schemes. Don't worry! Michelle Storm Lane of the Association of Independent Professionals and the Self Employed (IPSE) has come to our rescue. In this issue, Michelle explains some of the nuances relating to pensions and gives advice for your pension plans.

At the other end of the freelancing spectrum, you may be just starting out. How to gain your first client is a question frequently asked at the Freelance Business Forum and so Kathryn White has provided a comprehensive guide to networking that may help you obtain that important first contract. In addition, Matt Craven dispels some common myths associated with interview techniques and CV writing to help you market yourself appropriately in writing and in person.

Kathryn White
Kathryn@cathean.co.uk
Alistair Reeves
a.reeves@ascribe.de

The future is bright when you plan it right

It always amazes me how many freelancers I meet who tell me they never want to retire. One truly inspiring man we heard about–an Auschwitz survivor–was still delivering high-level projects on his 90th birthday!

Unlike so many who dream of retiring early, there appears to be a distinct group of people who would prefer to keep their minds active by working for as long possible.

Perhaps this is because the majority of freelancers have more flexibility and freedom of choice than their employed counterparts, and therefore don't feel the same urge to escape the restrictions of working life. This is reflected in a study of 62 600 European workers, comparing differences in job satisfaction between self-employment and employment. The study concluded that 'the self-employed report significantly higher levels of satisfaction with the type of work they do'.[1]

On a less positive note, there are increasing concerns that freelancers are not making adequate provisions for retirement. Nigel Meager from the Institute for Employment Studies in the UK asks whether the self-employed are 'postponing retirement in the face of dwindling pension pots (savings for pensions)?'[2]

It goes without saying that working into old-age is only desirable if it is a matter of choice, not necessity.

To be able to have that choice, we need to plan ahead.

The three pillars

According to economists, our future rests on three pillars.

The first pillar is the state pension system, which is paid for via our social security or national insurance contributions. The second consists of occupational pensions arranged by trade unions or employers (which could include a pension scheme set up by a company owned by you). The third pillar is made up of personal pensions, savings and investments.

This is a standard way to categorise the three main sources of retirement income that may be available to you wherever you are in the world. However, many different types of pension exist within each pillar, and they vary enormously from country to country.

When it comes to the first pillar, most countries require workers to pay social security contributions to cover healthcare, state pension and other statutory benefits. There is usually a minimum compulsory level, but some countries allow you to increase your contributions voluntarily to qualify for a higher state pension when you reach retirement age.

DOI: 10.1179/2047480615Z.000000000296

Can we rely on the state?

The country, or countries, where you have worked will dictate how much weight you should be putting on each pillar.

For example, workers in the UK cannot rely solely on Pillar 1 because the state pension is extremely limited, whereas in Spain, a freelancer who has paid the maximum level of social security contributions can receive an annual state pension of up to 35 000 euros. The Spanish advisory firm Advoco says:

> Most people attach little value to these accrued pension rights and focus on the health benefits. This can be short-sighted as, with today's low annuity rates (which show no sign of rising), it would cost a lot of money to buy a state pension of the magnitude possible in the Spanish system (between 150 000 and 200 000 euros).[3]

Germany and Sweden also have more generous social security provisions than the UK.[4] If you are in Germany, bear in mind that pension contributions are only obligatory for certain professions, although there is a possibility that obligatory cover may be extended to all self-employed professions.

If you are based in a country with limited state provision, such as the UK, you are well advised to arrange your own investment vehicle in Pillars 2 or 3 to save for retirement. In fact, the UK government has now made it compulsory for companies to auto-enrol employees into an occupational pension scheme (Pillar 2).

If you have a UK limited company, you can invest in Pillar 2 by setting up a scheme that your company pays into, and the payments can be off-set against corporation tax. IPSE members can take advantage of group rates to set up such a scheme via http://www.ipse.co.uk/futures/ipse-pension.

Even if you are based in a country with higher state pensions, it is important to consider how sustainable the country's system is. Will the current level of state pension pay-out still be available to you when you retire? Many commentators are concerned that we are sitting on a ticking time bomb as ageing populations across Europe put more and more pressure on national pension systems.

But not all predictions are that bleak. The 2015 Ageing Report by the European Commission observes:

> Recent sustainability-enhancing reforms, particularly of pensions, help to keep costs in check and the cost of age-related public expenditure in the EU is projected to decrease from 11.3% of GDP in 2013 to 11.1% of GDP in 2060.[5]

It is also worth remembering that if you have worked in several EU countries and paid social security or national insurance for at least one year, then each of those countries will pay you a pension. The rules also apply if you have worked in Iceland, Liechtenstein, Norway, or Switzerland. You should apply for your pension in the country where you live.[6]

Arranging a private pension or other savings and investments

Investing in Pillar 3 allows you to diversify your risk through a range of alternative investment vehicles.

If you don't have a company, or cannot set up a Pillar 2 scheme, then you can consider a wide range of private pension schemes, which include personal pension plans and stakeholder pensions. Stakeholder pensions are a form of defined-contribution personal pension. They have low and flexible minimum contributions and a default investment strategy is available. Self-employed people can start one for themselves.

Most of the world's governments tax pension savings more lightly than other types of savings. However, some people prefer to invest their money into areas that offer more control or flexibility, such as personal savings plans, or even the riskier approach of building a property portfolio.

If you are tax resident in the UK you can invest in an Individual Savings Account (ISA), which allows tax free savings up to a limit of just over £15,000. However, because the limit is so low, this is unlikely to be the most tax efficient route.

Other alternatives include WRAP account and SIPPS (Self Invested Personal Pension Plans), which provide a legal framework for you to invest in a much wider range of investment options. If you have the time, desire and confidence to manage your assets individually, these could be of interest.

The IPSE Guide to Retirement Savings, available to members at http://www.ipse.co.uk/advice/finance, provides more detailed insight into the complex art of planning for the future.

To conclude, please remember that all investment carries an element of risk, and successful investing involves balancing the different kinds of risk. These decisions are not to be taken lightly and you should seek qualified professional advice.

UK residents are advised to speak to an Independent Financial Adviser.[7] To find an adviser outside the UK, please contact the relevant association for freelance professionals in the country where you are based. You can find a list of associations at http://www.efip.org/whos-involved.

And finally, if you are an IPSE member, don't forget that you can join pension, life assurance, and private health insurance schemes at a fraction of the cost you would pay as an individual. For details visit http://www.ipse.co.uk/futures.

Michelle Storm Lane is Head of Commercial Development at IPSE, the UK Association of Independent Professionals and the Self Employed. You can email her at michelle.lane@ipse.co.uk.

This article is provided for general guidance only and does not constitute professional advice. IPSE accepts no liability for losses arising from any action taken on the basis of this guidance.

Michelle Storm Lane
IPSE, London, UK
michelle.lane@ipse.co.uk
www.ipse.co.uk

References

1. Millán JM, Hessels J, Thurik R, Aguado R. Determinants of job satisfaction: a European comparison of self-employed and paid employees. Small Bus Econ 2011;40:9380.
2. Meager N. Job Quality and Self-Employment. IPSE [2015 Mar 30; cited 2015 May 29]. Available from: http://www.ipse.co.uk/research/freelance-sector-research.
3. Autonomo social security. Advoco.es. Loja, Spain: Advoco; c2015 [2015 Jun; cited 2015 May 29]. Available from: http://www.advoco.es/advice/26-autonomo-self-employed/77-autonomo-social-security.html.
4. Adams R. How does the UK state pension compare worldwide? [Internet]. Which? Conversation; 2013 April 17 [cited 2015 May 29]. Available from: http://conversation.which.co.uk/money/uk-state-pension-comparison-serps/.
5. Graph of the week: Ageing report. European Commission; c2015 [2015 May 12; cited 2015 May 29]. Available from: http://ec.europa.eu/economy_finance/publications/graphs/2015-05-12_ageing_report_en.htm.
6. Pensions. European Commission; c2015 [cited 2015 May 29]. Available from: http://ec.europa.eu/social/main.jsp?langId=en&catId=860.
7. Find a financial adviser. The Telegraph [Internet]. London: Telegraph Media Group Ltd.; 2015 [cited 2015 May 29]. Available from: http://www.telegraph.co.uk/finance/personalfinance/money-saving-tips/3204280/Find-a-financial-adviser.html.

Networking and securing that crucial first client

How do I get my first client? This is a question asked frequently at the Freelance Business Forum. For any fledgling contractor this is the critical first step on the freelancing ladder. Once you start building a client base, the question becomes: How do I keep my existing clients and attract new ones? Networking, building a contacts list, keeping in touch and marketing yourself and your business are key elements in creating and maintaining your client base.

Finding freelance work

Box 1 lists three places where you can find clients.

Box 1: Three places where you can find your clients:

1. People you know
2. People other people know
3. People who gather at events

Existing contacts

Ideally before you begin freelancing, or as soon as you have made the transition, write down the names of all the people you know, including former and current work colleagues. Also include friends, family and neighbours. One of my long-standing clients is a company based in my home town and is my neighbour's employer! Unbeknown to me, she worked for a publishing company that specialises in medical guidelines. After I told her I had gone freelance, she put my name forward and the rest is history. So, take 10 minutes and write down a list of 30 people you know. Contact them. Write to them via email or connect with them via social media such as LinkedIn and let them know that you are now freelancing.

Referrals

Remember, each of your contacts has their own list of contacts so there is the opportunity to expand your contact list by referrals and word of mouth. Business coach, Christine Kane, describes the importance of giving an existing or potential client a 'call to action' whenever you get in touch. In this instance, let your contacts know that you are happy for them to pass your details onto their colleagues and contacts if they feel that they could use your services. Ultimately, you need to be in contact with the person responsible for hiring contractors and the associated budgets, but take it one step at a time.

Congratulations! You have started the ball rolling…

Agencies and contracting

Some pharmaceutical companies, contract research organisations, and medical writing agencies offer contracts to freelancers for defined periods. Additionally, recruitment agencies may offer opportunities for freelancers or part-time contract work. It is worth considering that agencies will take a percentage of the original fee, and the contract may require you to work from the client's office. While you are working for this client, particularly if it is full-time, you may not be able to work for other clients from your list who may contact you about possible projects. However, it is another viable option to consider for widening your contacts and experience.

Networking

Attend relevant conferences, training courses and networking events for business owners and freelancers. Attending conferences and training courses relevant to your business provides the perfect opportunity to meet potential clients and colleagues. Not only that, it shows you are committed to your professional development and improving your skills. The EMWA conferences are an excellent example. The combination of workshops, forums and social events means there are ample opportunities to learn new, or improve existing skills, while meeting like-minded people. The Freelance Business Forum provides another great opportunity to share ideas and challenges with fellow freelancers and is held every conference.

Find out if there are any freelancer groups local to where you live and go along. Martina Reiter provided information about networking groups throughout the DACH region of Europe for Out On Our Own in March 2014.[1] Some groups may be specifically for freelancers working in medical writing or clinical research, but even if they are not, you never know who you may meet and what potential leads may be generated.

Increasing your visibility

Speaking at events

Yes, really! See if you can find opportunities to share your knowledge. Perhaps you can offer to give a seminar, webinar, or a workshop? How about giving a presentation to students at a local school or college about medical writing or freelancing? You may get some reimbursement for these appearances, or you may volunteer to do them for free, depending on the type of event. If you aren't paid, your appearance may create leads for future contracts and therefore generate income indirectly. Furthermore, you are helping others by sharing your expertise.

Writing articles, blogs, newsletters

This is another great way of getting your name out there and building your reputation. You want to establish yourself as the 'go-to person' for your field of expertise. Writing articles for publications related to your business and background, builds your credibility as well as showcasing your writing talents and style.

Freelance directories

Another way to increase your profile is by registering with a freelance business directory such as the one offered to EMWA members. Search for other similar directories and ask fellow freelancers for recommendations. Yet another way for potential clients to 'find you'.

Be prepared to market your business

Personal branding

Being a freelancer means that – like it or loathe it – you are a marketer. You are the face of your own company, so every meeting is an opportunity to market 'Brand You'. Be prepared – always have business cards ready and be confident about telling people what you do in a succinct and engaging manner. This takes preparation and practice and is known as your 'elevator pitch'. This is not about a 'hard sell' or being pushy, because that suggests desperation. It's about being authentic and relaxed – people are more likely to work with those they feel a connection with. Be clear on who you want to work with – your ideal clients – because this will help you to market your business more effectively and authentically (Box 2).

Box 2: Who is your ideal client?

- What service does your client want or need?
- What is your client trying to achieve?
- What three mistakes is your client making?
- How can you help your client achieve their goals?
- What stops my client from taking action?

If contacting people remotely, by email or post, have an up-to-date CV and a brief summary of your experience ready to distribute. Generate a list containing details of all the articles you have written or have had published that you can disseminate.

Feedback and testimonials

Even before you start freelancing, you can ask your former and current colleagues to provide feedback on your abilities. Ask them to write a short testimonial that you can include on your website or in marketing material. This helps to build your credibility even before you get your first client and gives potential customers confidence in your services. Whenever you work with a client, ask them for a critique of your performance at the end of each project and get their permission to share this feedback on your website. This is not only invaluable for your personal and business development; it also generates testimonials that will help you to attract new clients.

Keeping in touch

Once you have contacted your list of potential clients, and even when you have one or two clients on your books, it's important to keep in touch with them. They are busy people and your name or business won't always be at the forefront of their mind. Consider writing a blog, or a newsletter that you distribute periodically. Alternatively, send an email containing a topic that would be of help or interest to your clients. Be mindful that we all suffer information overload these days due to the number of emails we receive daily. Think carefully about how frequently you publish newsletters or blogs and only send information to a client if it is sent with a genuine desire to help them – if this action generates more business for you in the future, that's a bonus.

Resources

Christine Kane is a successful business mentor based in the US. Her website at http://www.christinekane.com contains advice on how to be a successful solopreneur. 'The No-Brainer Strategy for Getting Clients' by Christine Kane can be downloaded at http://christinekane.com/the-no-brainer-strategy-for-getting-clients/#sthash.qqdNvgvx.NHWjatSn.dpbs.

The Mighty Marketer. Your Guide to Making More Money as a Freelance Medical Writer is a useful book written by freelancer, Lori De Milto. The first edition, dated 2014, is published by BookLocker.com Inc.

Conflicts of interest and disclaimers

The views given in this article are those of the author based on her own experience of running a freelance business. Following the advice given here does not guarantee business success.

Kathryn White
Cathean Limited Writing Services, Tring, UK
Kathryn@cathean.co.uk

References

1. Reiter M. Online freelance networks in the DACH region – Real job opportunities or just a waste of time? Med Writing. 2014;23(1):74.

Four common myths about finding a contract

Myth 1: A CV has to be two pages long. I'm just fresh from a conversation with someone about this issue and I am on record as calling the two-page CV assertion a complete and utter myth. Yes, there might be some recruiters out there who are dearly holding onto the two-page theory, but talk to any well-informed modern-day recruiter and they'll quickly tell you that a CV can be longer. I have read some recent research from a UK business school that echoes my own, which found that hiring managers are seeking more information and not less, and that the desired length of a CV is longer than it has ever been. Coupled with the fact that 85% of hiring managers will check you out on LinkedIn, it is clear that more information is required before making a shortlisting decision – and not less. My final word on this is that many of the leading banks give guidance to their chosen recruitment agencies on length of CVs, and current guidelines state that up to four pages for a contractor is perfectly acceptable.

Myth 2: LinkedIn is social media. I talk to far too many people who are failing to embrace LinkedIn because they are not a fan of Facebook and Twitter and see LinkedIn as just another social media channel where people talk about what they had for dinner. LinkedIn is far from a social media platform; it is a professional networking site with over 347 million members worldwide. The sheer volume of professionals who use LinkedIn on a daily basis has rendered the site the largest candidate database in the world, so it stands to reason that this is where recruiters are fishing for talent. Coupled with the fact that 85% of hiring managers will check you out on LinkedIn before shortlisting you, it is clear that it is a key element in a freelancer's armoury. Once you have embraced the fact that LinkedIn is critical, it is important to realise that like any other marketing channel, it needs to be approached with care and attention. A LinkedIn profile with minimal information or one full of uninspiring content will not do you any favours. It is critical that your LinkedIn profile fits together with your CV and is written with as much care and attention as your CV.

Myth 3: I am good at communicating so I am good at interviewing. Many people think they are born with a talent for selling themselves in interviews. The trap here is to think that being a good talker means you are good at interviewing. I am a good talker but ask me to go and sell a €20 million yacht and I wouldn't have a clue. Why? Because I don't know anything about yachts! 'But I know myself!' I hear you cry. You may know yourself on a personal level but do you know yourself professionally? Do you know your value proposition? Where you can add value to a future employer or client? Your key achievements? Or when you successfully handled conflict in the workplace? Or when you settled an issue with an unsupportive stakeholder? These things don't just spring to mind, they have to be thought through, prepared and rehearsed. Simply talking confidently and authoritatively about nothing in particular won't score you points in an interview; your responses must demonstrate that you have the skill that is being explored by that particular question. Finally, how can you be good at something you have done no more than half a dozen times in your entire life? Being good at something requires training and practice and those who really excel in interviews reach out for both.

Myth 4: Two hours for each job application is sufficient. I have something that I call the quarter of a million pound theory which is predicated on the fact that a €50k candidate over a 3-year period (a decent stint for an employee in anyone's book) will cost their future employer over a quarter of a million pounds when the full remuneration package and payroll costs are added up. Think of how much work you would do if you were pitching for a three-year €250k medical contract! Would you knock up a basic proposal and do two hours of preparation for that client meeting? The answer has to be no, so let me ask why you would knock up a basic CV and do two hours of interview preparation for a three year, €250k freelance contract? My point is that the average freelancer puts far less care, attention and effort into securing a contract than they should. Most companies invest in professionally created marketing materials and freelancers who take the same approach with their marketing materials (e.g. their website, CV and LinkedIn profile) are the ones who succeed. Those who do a bit of cursory online research and simply read through the job spec are setting themselves up for failure. Those who do 15 hours of preparation for an interview are the ones who get the contract–so it's worthwhile spending the time and effort to ensure your application is of a high standard.

Matt Craven runs The CV & Interview Advisors who offer a range of CV writing, LinkedIn and interview coaching services.

Matt Craven
Managing Director
The CV & Interview Advisors
info@cvandinterviewadvisors.co.uk
www.cvandinterviewadvisors.co.uk

Freelance foraging

Get 'em early …

… So they never get the apostrophe right.

Alistair Reeves
Ascribe Medical Writing and Translation
Wiesbaden, Germany
a.reeves@ascribe.de