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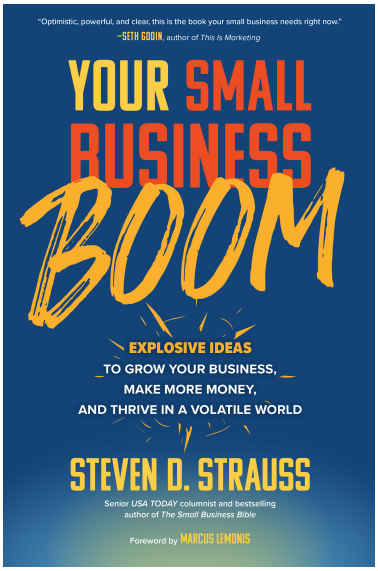


Chapter 14

FREELANCE FORTUNES

"The only people who get paid enough, get paid what they're worth, are people who don't follow the instruction book, who are innovative, who work without a map."

- Seth Godin

Several years ago, I needed to update one of my sites, TheSelfEmployed.com. As I didn't know any web designers at that time, I turned to one of the many online platforms that connect freelancers and other creatives with people like me – people looking to hire freelancers.

On sites like Upwork, Freelancer, Fiverr, etc., you can find talent in an amazing array of categories:

1. Graphic artists, web designers, app developers, etc.
2. Writers, bloggers, videographers, photographers and so on
3. Marketing specialists, sales pros, virtual assistants
4. Even legal and other professional help

In fact, Freelancer.com says that they have done work in – get ready for it – more than 1,800 different categories.

Given that, I knew that despite my lack of expertise in web design, I would still be able to find someone who could help me. And I did. Abby Woods of Iconik Web (Iconikweb.com) gave me a great bid and did fantastic work. I expected that given my past experience with Upwork (the site where I found Abby) and her reputation and experience.

What I didn't expect was that she would still be working with me some seven years later.

So yes, the opportunity to grow your freelance business on sites like these is very real indeed.

LEVELING THE PLAYING FIELD

There was a time, and not so long ago, when being in business *for* yourself essentially meant being in business *by* yourself. If you were a self-employed web designer for example, finding gigs was no easy feat. You would need to have some mad SEO skills, a great portfolio, and also having some killer marketing materials.

But here's the thing: People go into business for all sorts of reasons. It might be because they longed to be their own boss, or had a rock star idea, or had a passion for, say, web design. But just because someone is a great web designer, it does not mean he is a great marketer.

In fact, he probably is not.

So, in this hypothetical world, a lot would have to go right for our web designer to get a gig. He would have to not only be a great web designer, and have a crackerjack site, and he would also have to be a heck of a marketer and salesperson. He would also have to hope that people who needed his services would find his site, like it, and contact him. And he would then hope to close the sale.

The problem is, hope, as they say, is not a strategy.

That's why the advent of online freelance marketplaces like the ones mentioned is so revolutionary for the entrepreneur who sells services (as opposed to products.) In one place, you can find gigs, bid on them, communicate with clients, and get paid.

The solopreneur doesn't have to be so solo anymore. And, if you do it right, you can really explode your freelance business.

Unfortunately, the opposite is also true – if you do it wrong, you can easily get lost amongst all of the competition. And make no mistake about it, there is *a lot* of competition. **Freelancer.com says that it has more than 48 million users and over 19 million jobs posted.**

> "How Much Money Can You Make on Upwork? Successful freelancers on Upwork can earn **$100 to $175 per hour**, and sometimes more. It's common to see freelancers with lifetime earnings of $250,000, $500,000, and occasionally higher." – CareerSidekick.com

So let's do it right. Here's how.

OPTIONS, OPTIONS, OPTIONS!

I think we can all agree that Covid was good for nothing.

Well, almost nothing.

One of few the silver linings of the pandemic from the perspective of the solopreneur is that demand for freelance services shot up dramatically. Indeed, because of Covid, the whole world was forced to work online, and with everyone suddenly more reliant on the internet than ever before, the number of online projects offered shot through the roof. Freelancer.com for example, says that they saw an uptick of around 50% in gigs offered in 2020.

The Top Five Freelance Sites

There are a lot more than five sites where you can bid on gigs. But who wants to try out 20 different sites to see which one works best? Not us! Here then are the top ones, ranked by

- Reputation
- Number of gigs available
- Quality of those gigs
- Earning potential

(Note: All of these sites are good and so this list is not necessarily in order of "best to worst." They all have strengths and different things to offer.)

1. Upwork. Upwork was originally called Elance and I must confess that I am partial to this site for two reasons. First, when I launched my site TheSelfEmployed.com, Elance was a founding sponsor (they actually *paid me* to help me get my site built, but that's a story for a different chapter.) Second, as mentioned, I found my trusty sidekick Abby there. In the years since, I have had a lot of success posting gigs on Upwork (though not looking for them) and so I know it is a great choice.

The good news is also the bad news when it comes to Upwork. Because the site is so popular, it has millions of listings . . . and millions of freelancers looking at those listings. Given that the way most projects on the site work is that freelancers bid against each other on proposed projects, there can be a fairly intense competition that drives down fees on Upwork. **On the other hand, price is only one consideration when people list projects on the site; they are often looking for the best, not the cheapest.**

As with most of these sites, you will have to pay a fee to Upwork for each gig. Fees break down this way:

- 20% for the first $500 billed with the client
- 10% for lifetime billings with the same client between $500.01 and $10,000
- 5% for lifetime billings with that client exceeding $10,000

The quality of the work you can find on Upwork is pretty impressive, with many corporate clients looking for help with both one-time and long-term projects.

2. Freelancer: Freelancer and Upwork are probably the two oldest, and definitely the two largest, freelance gig sites on the Internet (although Upwork is probably larger.) The gigs on Upwork tend to be of better quality than those found on Freelancer (that is, they seem to pay better.) The fees paid to the platform are similar to Upwork, with a percentage of income generated on the site going to Freelancer.

Here's how it works: Companies and individuals post engagements on the site. Would-be freelancers browse the listings, see the gigs and budgets, and then bid on the project. Whatever your specialty – making videos, blogging, research, being a virtual assistant, sales, or whatever – a site like Freelancer offers you an opportunity to find consistent work.

Sidebar
Freelancing really has gone global, with an estimated 90 million freelancers worldwide. Freelancer in particular caters to this global market, translating projects into dozens of languages, and thereby allowing freelancers from around the globe to find and get gigs.
End

3. Toptal: No low-bid competitions here. While Toptal is similar to Upwork and Freelancer, the difference is significant: Toptal has a very rigorous screening process and only accepts the top 3% of all freelancer applicants. As they say on the site, "Toptal is an exclusive network of the world's top talent in business, design, and technology.
We provide access to top companies, a community of experts, and resources that can help accelerate your career."

It follows then that given that the quality of the freelancers on the site are the, well, top, the quality of the gigs offered here is equally impressive. If you can get accepted, the opportunity to make significant amounts of money on Toptal is very real.

4. Fiverr: Fiverr completely flips the script. Instead of people listing projects and freelancers bidding on those projects, on Fiverr, Freelancers list their expertise and products, and buyers search for the freelancer who best fits their need. Fees paid to Fiverr are uniform – 20% of every sale goes to the house.

As the name indicates, Fiverr is a site that rewards low prices. While originally gigs were listed for $5 each (a "fiver"), projects typically pay more now, but maybe not a whole lot more. For example, back in the day, I had a fantastic, custom, 30 second video made for me on Fiverr that I used in a huge project for a corporate client and it cost me all of twenty dollars. Fiverr says that these days, gigs range from $5 to $10,000.

Fiverr seems to work best for freelancers who can quickly crank out a product time and again – explainer videos, voice overs, photo manipulation, and so on. As such, it is best seen as a side hustle adjunct as opposed to a place like Toptal, where real money can be made.

5. SolidGigs: Finally, SolidGigs is another site that turns the traditional bid-on-a-gig model upside down, and I like it. One of the hassles of the other sites is that it takes quite a bit of time to search and find the right gigs to bid on.

SolidGigs fixes that.

On this site, you select the types of jobs you are best suited for and then the team at SolidGigs does the searching for you. Each week they will send you a list of freelance jobs they have found (they peruse other sites listing gigs) which are, they say, the "top 1-2% of freelancing gigs." In exchange, you pay them a flat monthly fee of $19.

As the whole point of SolidGigs is that they search and send only the best projects that fit your desired criteria, the quality of projects you can get here is really quite good. But because this site is considerably smaller than the others on this list, the quantity of work you can expect to see is less.

QUICKSTART GUIDE

Generally speaking, the actual process of getting started on one of these sites is simple:

1. **Create a profile**. Go to the site (or sites) and select your skills. You will list your experience and expertise, upload a photo, and post your bio.

2. **Browse jobs**: There are gigs for every skill level. Use the search engine and filters to find projects for your level and interests.

3. **Bid**. Once you find one that is a good fit, pitch yourself. Explain why you are the best person for the job. Make your fee competitive.

4. **Work**: Do your best. Get great feedback. Get hired again. Rinse and repeat.

Of course, in reality, it is not nearly as basic as following a four-step process; that is just an overview. There is are significant gaps between browsing, bidding, working, and repeating.
So let's fill in those gaps.

1. Start small: My second father has a saying that is quite apropos. Whenever I was faced with a new challenge – whether it is getting published for the first time, or starting my first business, or getting that first big contract – he will always remind me that (and with apologies to Forrest Gump), "Life is like a jar of pickles."

Think about a pickle jar. When you first open it, they are all jammed in there, right? Getting the first pickle out of the jar is difficult. But after you do, after you coerce that first one out, what happens? All of the rest of the pickles come out very easily. **So the challenge and the trick is to get that first pickle out of the jar.**

So too here. You need to get that first gig pickle out of the jar because after that, all of the other gigs will come much easier. After the first, you will have work to share, seller feedback to show, a presence on the site.

So, how do you get your first pickle – err, gig – on Upwork or Freelancer or wherever? Start small. On any of these sites, the bottom-wrung gigs are indeed small; $50 maybe. And that's OK. There is little risk for a client when hiring someone for $50 and so the competition for such gigs is quite low. That means that the chances of you getting the first pickle out is quite high.

2. Get feedback: Undoubtedly, $50 or $100 for whatever the project is, is going to be below either your normal rate or what you are really worth. That's fine. That's the point. The key is two-fold:

1. To do great work, and thereby
2. To be able to get great feedback on the site about you are your skill and your work.

This is the key, the real first pickle. Because once you can post positive feedback on your profile, you become a much more viable commodity.

It's like word of mouth. Having a customer on the site sing your praises tells other customers that you can be trusted and do good work.

Marketing gold, that.

The other advantage of starting small is that it will help you learn how the system works while also allowing you to begin to forge relationships with the customers who are hiring. You never know what leads to what. That little one-off could become an ongoing, long-term gig.

Just ask Abby!

3. Maximize your profile: The first thing potential clients look at is your profile on the site. So you need to maximize and optimize yours:

- **Fill out all fields and forms.**
- **Have a great job title**. Clients quickly peruse the different contractors on these sites, so you need to have a catchy, great title for your bio. Test different ones to see which words get you more views.
- **Write a great bio**. Be sure to read the bios of highly-rated freelancers on the site who do what you do and see how they write their bios. That's your template.
- **List your hourly rate.** Aside from your profile title, your hourly rate is the other thing that drives pageviews. You may be tempted to list a low hourly rate because that will indeed increase pageviews, but be forewarned, people looking for the lowest bidder may not be the best

clients. And ask yourself: Do you want to be known as "the low-cost leader"?

There was once a best-selling small business book called *Niche and Grow Rich*. Especially in the beginning, that is what works on a site like Upwork. The trick is to offer something that few other people on the site offer; a niche skill. That may seem challenging, but it's possible. For instance, look at trends in your industry and figure out how you might be able to capitalize on them.

Say that you are a digital marketer. Sure, plenty of people know how to advertise on Facebook but how many know how to market on TikTok? Learn that skill and highlight it on your profile. That will help you stand out from the crowd.

4. Apply for gigs: On these sites, you get hired in one of two ways. Either people find you and request your services, or you search and find gigs listed and you bid on them. The second way is what we are talking about here.

You have created business proposals previously I am sure and whatever worked there will likely work here. Bottom line: Your proposal needs to STAND OUT.

- **Make it personal**. Don't use a template when writing to a potential client. Instead, write to the person, use their name, and to the extent you can do a bit of research and learn about their business, do so.
- **Don't sell, help**: No one likes a hard sell, so don't. Instead, show the customer how you can help them. Be curious. Ask questions. Offer solutions.
- **Don't be boring**. Wrote, by-the-numbers proposals or inquiries will get glossed over, and deservedly so. However you do it, be creative and stand out.
- **Get invited to the party**: After a while, after you have completed several projects and have reviews and a reputation, you will begin to get invited to bid on projects. Nice! Potential clients will have seen your profile and work and reputation and reviews and will have decided that you just might fit the bill.

5. Close the deal: It is difficult to say which happened faster – the spread of Covid or the spread of Zoom. You have to admit that it's a pretty close call. The point being, Zoom calls became all the rage during the pandemic and that's not

going away anytime soon. You should expect to have to sell yourself on a Zoom call with your potential client.

We have all had job interviews, both good and bad, so you know the drill. Ask questions about the client, about his or her business, as well as the project and expectations. Explain why you are the best person for the job. Crack a joke.

Finally, don't be too anxious. Play a little hard to get. Explain that you are pretty busy right now but because this gig sounds so interesting, you will be happy to make room for it.

"YOU WON'T GET RICH BILLING BY THE HOUR"

There are two inherent obstacles to creating a business boom when working on sites like Upwork:

- The number of billable hours in a year, and
- The going per-hour billing rate

Consider the first issue – the number of hours available when you bill by the hour.

Let's say your goal is to make $250,000 next year. If you work 50 weeks a year, you would need to earn $5,000 a week, or $1,000 a day, to hit that goal. Realistically, you can expect to work about, say, six billable hours a day (which would take at least eight actual hours.) To bill $5,000 would require therefore you charge about $170 an hour, which bumps up against the second issue, namely, the going per-hour billable rate.

So, even if you can somehow charge $170 an hour (and a lot of independent contractors cannot), you would also be working your tail off, every day, five days a week, week after week.

Doable? I suppose, but not for most of the self-employed, and probably not consistently. The Bottom line is this: As a partner in one of the law firms I used to work for once told me,

"You won't get rich billing by the hour."

Here are two very viable Boom alternatives:

1. Bill by the project: One-off, time-restricted freelance gigs do not typically pay all that well and definitely don't offer repeat business or room for growth.

What works better, both in terms of financial security and job satisfaction, is to instead work on a project-based basis. Bigger projects lead to bigger paydays, better work, less time, and often, happier clients. Jugging a few big projects is also easier than managing a lot of small gigs that pay less.

It's also financially smart in that if you are able to complete the project in less time than you would have been able to billing by the hour; the delta between the two is profit. Yes, it will take time to build up a portfolio that is impressive enough that you will be able to bid on bigger gigs, but it's worth it.

Think like a lawyer: That same lawyer who gave me that valuable advice about the futility of the billable hour was a partner in the law firm for whom I worked. He made beaucoup bucks every day, even when he didn't work.

How?

Me.

Let me explain: Law firms are legal pyramid schemes. A lot of younger lawyers are at the bottom of the pyramid and bill hourly rates far less than what a partner could charge for the same work. As such, clients and partners alike like having the grunts at the bottom do a lot of the work. While the partner couldn't get rich working by the hour himself, he certainly could when he had 10 young associates who work for him work by the hour.

Let's do some math again:

Let's say the firm bills out those young associates out at $200 an hour. But what the firm pays them is the equivalent of $100/hour. If we assume $50 an hour in overhead, then each associate is making the partnership $50 an hour in profit. Multiplied by 10 associates, that is $500 in profit every hour they work. If they bill five hours a day each, that is $2,500 a day, $12,500 a week, or $50,000 a month, in profit.

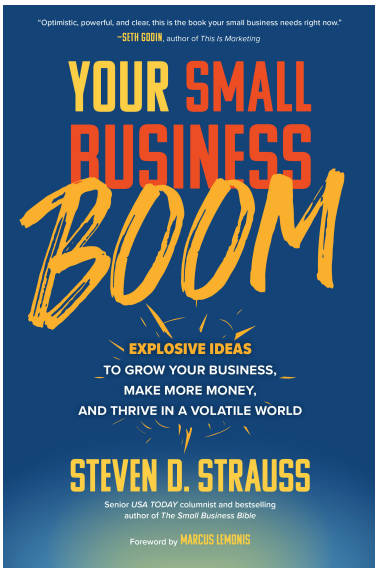
That is how you get rich.

Each young associate in the firm is a profit center for the partnership, and a rather valuable one at that. And what's good for the partner is good for you too.

Translated into the world of freelance websites, the way to really rock your freelance career is by becoming an entrepreneur; that is, by getting bigger projects that require the assistance of employees or subcontractors to whom you farm out work. Do that, and you can multiply your earnings considerably.

Hiring help doesn't cost, it pays.

Your sub-contractors become your profit center.

So that's the secret. You bypass the limits of the billable hour by becoming a rainmaker.

BOOM!