Becoming A Quick Cash Flow Freelancer

Forms Of Accepting Payment That Can Seriously Increase Your Cash Flow And Give You A Gigantic Edge Over Most Of Your Competition

Introduction

Whether you are freelancing now or you aspire to become a freelancer, cash flow is king. Realize this; if it wasn't for 3rd Party Payment Systems like PayPal, many freelancers would go out of business. However, those that use <u>only</u> 3rd Party Payment Systems, are losing a ton of business without even knowing it. They are also seriously impeding the flow of cash into their business due to inherent problems built into 3rd Party Payment Systems.

If you are currently providing products or services online as a freelance or independent contract business, and are or plan on only excepting money online through systems like PayPal, you may loose or be losing serious amounts of business and not even know it.

Why? Because just accepting credit cards online is not always enough; especially if you are only using a 3rd party billing system like PayPal, ProPay or CCnow. PayPal will be necessary with many job boards like RentACoder or Elance but only required as long as your customer insists on continuing to work with you through the job board. There are ways around that I will discuss later on in this course.

PayPal is acceptable for people selling things through EBay or that are just breaking into Information Marketing these Ecourses you see all over the net.

But even in those situations, there are plenty of horror stories about vendors and developers dealing with 3rd party payment systems. (I'll be covering some of those issues later in this book.)

Please don't take what I am saying about PayPal or any other 3rd party payment system as though they don't have their place in the online business world. I use PayPal for a number of things. But I don't use PayPal for my primary business.

For Ecourses and Information manuals I produce to sell online, I may well use PayPal for test marketing. But for design projects or consulting jobs where I can charge several thousand dollars or maintenance jobs that I do automatic or recurring billing on, I process those payments using my own shopping cart system through a secured gateway to my Merchant Account.

One of the most important reasons for billing through your own payment system is; there are literally hundreds of thousands of individuals and businesses who look for freelance contractors of various products and services, that would prefer to **NOT** pay by credit card and especially not if you are only excepting payments through some 3rd party payment system. Why?

Many people look down upon businesses that only except payment via some online 3rd party payment system like PayPal because:

1. They think a "Real" business will have their own Merchant Account. To them having a Merchant Account and billing through your own online payment software or shopping cart indicates you are <u>not</u> 'fly by night' and that you <u>are</u> serious about running your business like a "Real" business. That is their mindset. As a professional you have to be prepared to deal with it.

2. They may not want to pay by credit card period due to their accounting system being centered on physical checks issued for purchases. (That may sound old fashioned, but paying by check is still a major factor with many older or well established companies.)

3. They don't want to be forced to set up an account with some 3rd party payment system just to pay you. (I know PayPal and the others have ways to bypass establishing an account to be able to pay you through their system, but these 3rd party payment processing companies purposely make it seem to the buyer that they DO have to set up an account to be able to pay.) It's one more hoop they may have to jump through to do business with you that they may not have to with some of your competition.

Those are but a few of the reasons why a prospective buyer may visit your site, like the look of your services, and like your prices but then see that you are, (In their eyes), "Small Time" or "Not a 'Real' business" because you are only able to except payment through some 3rd party billing system like PayPal.

While I'll grant you that these 3rd party payment systems look very enticing because they are either free to set up your payment system or very inexpensive, If you are serious about your business then you need to consider the down sides of using such systems.

With that said, what I'll be covering in this guide is basically 4 things:

1. Analyzing why you started a freelance business or if you are considering starting a freelance business what it will take and …

2. Along each step of the way of looking at the 'why and how' of a starting or improving you freelance business image by being able to except payment in any form your prospect wants to pay you, will make you much more competitive in your field and therefore more profitable.

3. I will endeavor to prove to you just how inexpensive and easy it can be for you to have your own Banking Merchant Account and the advantages of having your own payment system paying off in the form of business you may have otherwise lost without even knowing about it.

4. How having your own payment system and billing direct versus using a job board and being forced to use a 3rd party payment system, you will significantly improve your cash flow.

Now lets take a look at why a freelance business really appeals to you and if your serious about it, why you should manage your business in such a way that your are perceived by your prospective current and prospective customers as more than somebody in their bedroom with a PC.

NOTE: Though there will be a considerable amount of information on becoming a freelance contractor in this course. Just because you may already be freelancing, doesn't mean that is information you should ignored.

You purchased this book because you either have a cash flow problem or want to know how to avoid having a cash flow problem as a freelancer. If you currently are freelancing, you may have a tendency to gloss over the portions of this book that cover how to get started in freelancing. Please don't do

that. Keep an open mind and you may very well find there are things you haven't considered that could be costing you money.

Know this; there are entirely too many freelancers out there that are highly skilled and very talented at the service they provide. That does not necessarily mean they are good business managers. Many freelancers see they can go to a job board and get jobs based on their resume and portfolio. Then start taking jobs, continue to get jobs and miss the important options being in business for themselves can really provide them.

Remember:

CASH FLOW IS KING and IMAGE IS EVERYTHING!

Chapter 1: Do You Want Really Want To Be A Freelance Contractor?

Do You Resemble These Remarks?

You love getting up early in the morning just so you can fight rush hour traffic to be at work on time. You like to go to work and see the same people doing the same thing day in and day out. You love your boss and look forward to his or her demands on you and your time everyday. You don't mind that you never see your family or children.

You don't mind that you miss all of their games and events. You like working overtime. You don't mind that you have not received a raise in three years. You don't mind that you are making minimum wage and barely making ends meet. You would hate working at home and spending more time with your family. A million dollars is not something you aspire to ever earn.

If the person described above is you, then don't read any further. If you don't want to be your own boss and don't want to tell others how much your time is worth and don't want to actually get paid for your time, then stop reading.

If you are content living the life you have and don't wish to take your career into your own hands and shape your own future, then put this book down. Just close it. Throw it in the trash. Line the bird cage with the papers that contain the

information on how to make freelancing business a cash flow king.

If, however, a million dollar career is something you are interested in, then find a comfortable chair, grab your favorite beverage, and settle down with a pen and paper so you can take some pertinent notes.

Take the time to read this book about freelancing and how it could mean financial freedom and control over your career with customers that look at you as the consummate professional you are, from the very beginning.

Does freelancing mean you will get rich overnight? No, it takes work and dedication. There are a number of obstacles that you will have to overcome but the rewards will be substantial if you are willing to put in the time and effort. The possibilities are endless.

There are opportunities for any person to break into the lucrative career of freelancing or start making a serious increase in their businesses profits starting now. All you need is diligence, patience, and tenacity to pursue it and make it happen by running it like a 'REAL' business starting now. This book will show you how.

On the other hand, if you are the person that was described at the beginning of the chapter, get that beverage and curl up

with the latest novel by your favorite author. It might be enjoyable reading and that is fine. Just remember, unless you are doing that for a living, it wont make you a dime.

So You Want To Be Your Own Boss

Freelancing allows you to be your own boss. This means you make your own hours. That does not necessarily mean you will work less hours than you did working as an employee. In fact it may mean working more hours in the beginning stages of your business. As the old adage goes, "I'd rather work 60 hours a week for myself and make the same money as working 40 hours a week for somebody else".

Wear what you want. Does your current job have a dress code? How does sitting in your pajamas all day sound; what about just spending the day wearing your favorite pair of worn out jeans and that T-shirt from that unforgettable 1980's rock concert.

If you are an independent agent, like a freelancer, then you decide the dress code. But if your prospective or current customers also see you in the same way in their 'minds eye', because of the way you have set up and postured your business, those old worn out jeans may end up being all you can afford to wear.

Making your own hours does not mean loafing around all day. And it doesn't mean taking short cuts in your business management could end up being detrimental to your businesses image. It means having the self discipline to set

aside a certain amount of hours that you work each day. But, as the boss, you get to decide what those hours are. That way you can pick up the kids from school, have lunch with the spouse, go to the gym during the day when it's not so crowded, and never have to make that horrible rush-hour commute. However, in the beginning setting your schedule like that may mean you have to work later hours into the evening to maintain necessary cash flow.

Being a freelancer means that you get to set your own prices for what your time is worth. No more waiting years for a raise that may never come. As you become more proficient and widen your client base you can double and triple your earnings as you see fit.

Have you ever considered living somewhere else but your job and family obligations keep you stuck in the same place. Freelancing gives you the freedom to take your family, if that applies to you, or just yourself and live wherever you want.

As long as you have a phone, a computer and a way to receive mail, you can live at the South Pole or Hawaii and still have a lucrative freelancing career. Your home is your office. You can be sitting in a coffee shop and enjoying a scone with a mocha latte at the same time you are making more money than you ever made working for somebody else.

When I was a child my father always told me that "nothing in life is free," and "if it sounds too good to be true then it probably is." In the case of freelancing the price is minimal. As you will see in subsequent chapters you will need some general items such as a computer, a printer and maybe a fax and scanner.

You will also need a way to accept payments from your customers that will allow them to perceive you and your business as professional and established.

After you have the materials needed to be a freelancer your greatest cost will be your time and effort. How much are you worth? The best part is that you get to decide what your time and effort are worth. Obviously it will take some research to see what your market will bare, but all in all you are in charge of what your are worth.

As far as the rule "if it sounds too good to be true it probably is," here is something to consider. You should not quit your day job immediately and hope to make $10,000 next month.

Instead, start slow and work your way to making the money you want. If you are making the equivalent of your full time job and you have too much freelance work to do, then decide to freelance full time and quit your day job. If you work hard this process can happen rather quickly, so don't be discouraged.

The jobs are real. The money is real. Once you have established your company with a business bank account, registered your business with the local county clerk or whatever is necessary in your part of the country, and have a web presence with a way to accept payment on your own, the only additional investment is the amount of time you are willing to invest in marketing your services and fulfilling your contracts.

The market for freelancers is growing by leaps and bounds. The future markets are projected to continue to grow at the same rapid rate. This means more fantastic freelance opportunities and greater potential income.

How You Accept Money Can Improve Your Image

But believe me when I say, as much potential as there is for more freelancers to succeed now, there will be just as many that fall by the way side simply because they did not put the simple things in place that "Traditional" or "Real" businesses do, to make them stand out in the crowd.

Being able to take payment payments through their own billing system versus something like PayPal is a major step in portraying your business with the professional image many

prospective customers look for. Let's take a look at
Ecommerce.

Chapter 2: Your Online Cash Register

Since the advent of the Internet, the dynamics of business have changed considerably. Today's big companies and small businesses like freelance contractors put forth as much effort to create websites that facilitate business as they do to run the company itself. If your business isn't online, you are at a disadvantage. As a freelancer, if you are only taking jobs through job boards like Elance, you are missing out on potential business you could attract through a web site of your own.

Having a website enables you to reach a wider audience and far more potential customers. You may be familiar with the "rules" for a business website:

- Be professional
- Be accessible
- Look good
- Include sharp, error-free copy
- Don't clutter
- Don't spam
- Offer reasons for repeat visits
- Publish a newsletter or blog

However, there is another unspoken caveat that's becoming more essential than ever: *If you sell online, at eh very least, you must accept credit cards.*

Many of today's Internet consumers are used to the ease and convenience of paying with credit cards online. For these 'net-savvy buyers, the inability to pay with a credit card is a deal-breaker. They don't want to bother writing out a check or a money order and mailing it to destinations unknown, then waiting six to eight weeks for their services to be rendered.

Instant is in, and the more purchase options you can offer, the more buyers you will get. So being able to accept credit cards is ABSOLUTELY mandatory. However, there are other ways of accepting payment you don't want to overlook. I'll get into those options later.

When e-commerce first took off, there were several security concerns among consumers and businesses alike. Scams and cyber-crime made buyers wary of entrusting their credit cards and bank account numbers to websites. Now, more people are buying online than ever before, and improved security and encryption processes are keeping financial information safe. Today credit card purchases online are literally more secure than off line where a card can be swiped by hand in the case of a crooked employee or literally stolen out of thin air through major stores with payment terminals set up on wireless networks.

If your website does not at least accept credit cards, you could be missing out on a huge amount of business. What are

you waiting for? Now let's take a look at who's making money and why.

Having Doubts About Your Marketability?

Are their times you have some apprehension about your marketability? Do you wonder if you have what it takes to do freelance work? Do you wonder if you have what it takes to project the image of a professional business person in the online world?

The best part of freelancing is that there is a niche for almost every skill. If you are good the demands upon your skills will be greater than the supply you can produce. Through the use of this book, you can identify your skills and make the most of them for the greatest profit.

Why is freelancing so lucrative but can be so much more so if you are perceived as a real professional? Companies are outsourcing more and more work every year. Other individual business people like yourself in different markets but that may require your services are growing almost exponentially in the last 5 years primarily due to the Internet.

It is much more cost effective for a company to outsource work to a free agent than to pay and maintain one full time employee. A company can find the right professional for a particular project rather than relying on a few employees who may not have the expertise needed to complete the project.

The people who are making money are those who market themselves and develop working relationships with companies and long term clients.

Who are these freelancers? How do they become rich? How do they find their clients?

In future chapters you will discover how to make contacts and find freelance jobs. The immediate answer is technology. The days of typewriters are all but gone. The days of waiting for a response from a client by postal service are gone. We live in a world of modern technology. Documents can be written, saved, and transmitted over thousands of miles in just a few short seconds. Words can reach thousands of people instantly. And I'm not just talking about email. In fact, you can chat online with clients on a real time basis or literally set up real time video conferences. Information is easy to find, store, and send. That is why you can live anywhere you like as a freelancer. You are not confined to any one geographical address as long as some type of internet access is available. (Preferably high speed.)

Another advantage of modern technology is the ability for freelancers and their clients to find one another. There are many websites where a client can post a job and a freelancer can instantly respond to it. Again, geographical distance is not an issue. A client can be in Japan and the freelancer can be in sunny Florida and they can have a successful contract

agreement. The answer to global connections and opportunities is technology. This allows a freelancer to work for clients around the world. This opens a multitude of opportunities to find freelance work.

But this technologically advanced time we live in can be a double edged sword. At the same time technology is allowing customers to find us and hire us, customers look for the freelance contractors to be technologically advanced enough to not only provide top quality service but they want to deal with contractors that are willing and able to work outside the confines of a job board like Elance or RentACoder and accept payment any way the buyer wants to pay.

Freelance Doing What?

The possibilities are endless. I have listed some of the more common niches. They are:

Writing
Web design
Voice-Over Work
Video and Screen Capture Video
Research
Help Desk Management
Engineering and Architecture
Marketing
Advertising
Legal and Paralegal
Translation
Training and Development

Graphic Design and Art
Software Development and Programming
Management
Finance

This is by no means a complete list. Rather it is a general overview of common areas in which people freelance. Find your own niche and go with it. The advantage of finding yours in the areas mentioned is that there are thousands of jobs posted everyday.

People who have created a full time prosperous career in freelancing did not jump into it blindfolded. They had a plan. They executed the plan and now they are reaping the benefits.

The plan started with research. Reading this book is a good beginning. Next, start looking around. See how many freelance jobs in your area of expertise are on the internet. We are going to take a look at freelance job boards now. But don't make the mistake of just going to job boards for work and think you're in business. Don't overlook the potential for local business. You need a web presence if you are going to be in business as a freelance contractor. But job boards for freelancers are a great place to get started and find new business.

Moving on to online job boards...

Chapter 3:
What Are Job Boards – How Do They Work?

Below are a number of sites you can look into:

(All of the following sites were live when this was printed.)

Allfreelance.com
Aquent.com
Elance.com
Craigslist.org
RentACoder.com
Ifreelance.com
Bullhorn.com
Centralmall.com
Consultingexchange.com
Contentexchange.com
Ework.com
freelanceworkexchange.com
Freelancejobsearch
Guru.com
Monster.com
Sologig.com

If you already have a freelance business you are undoubtedly familiar with some of the sites listed above. But if you are not set up to take payments through your own payment system, those that are will have an edge over you. And they are already prepared to operate outside the job boards you are using.

Some of these sites charge for access; others are more like bulletin boards. Look around and see if your skills match with

any of the jobs posted. Even if you don't see many jobs requiring your skills, don't give up. It could mean that your niche is in an untapped area. If so, Congratulations! This means that you will have a lot less competition.

When you find various jobs that match your skills, look at how much these jobs pay. The amounts will vary. As clients become familiar with your work and you build trust and a reputation, you can begin to demand more money.

Many sites require you to bid on projects. The stipulation is that you have to pay some sort of commission to the company who owns the site. Take some time and look at these sites. You may also use a search engine such as Google and use the key word "freelance" or you may add some specific skills to narrow your search such as "freelance writing".

You will find statements like this in the buyer area of many of these sites that charge for putting buyer and freelancer together and handing the transaction and escrow.
This can be a fast way to contact the coder. However it is potentially dangerous because everything you agree upon is NOT legally binding.

While all of the above may be true in the case of both the buyer and the seller, once you have gained your customers trust, you want to move your dealings outside the 3rd party job board system if you customer is agreeable to that. As well, the

job board company wants to keep all your communications in house so they can continue to collect their fees for essentially amounts to providing you a place where you can sell your skills.

Just be sure that all your communications with the customer are amended to your contractual agreement before you proceed with any changes from your original agreement. Outside a job board system you will be able to bill for partial or completed jobs and get your money immediately versus waiting for the escrow process of the job board.

Below I have listed three websites as examples of freelance jobs available on the internet.

The following section on RentACoder is not just for programmers. People that have become adept at graphics work or using video screen capture software to build presentations or tutorials, copy writing, Site design, or technical writing can find plenty of work at most of these sites. And there are other areas your skills may be in demand. You owe it to yourself to look around these sites for potential business.

RentACoder: Providing Jobs to Freelance

Writers Around the World

Customer:
"I had a tricky software problem I couldn't solve [and] I found something online called RentACoder. I found a good programmer in five minutes."

1. Rent A Coder? What's That?

The above quote, which appeared in the Wall Street Journal, June 3, 2002, summarizes what RentACoder is all about. In a nutshell, it is a place where software buyers and software coders meet to do business.

Doing business in RentACoder is sheer simplicity. Buyers simply post their requirements on the site and coders (programmers and writers) make a bid for these requirements. The buyer hires the coder who they feel is best qualified and pays them when the job is completed. It is that simple.

Think of RentACoder as a giant online marketplace where people with software needs find coders to meet those needs. It provides excellent opportunities for software programmers and freelance writers to put their hard-earned skills to use and earn cash. One of the marvelous things about this site is that writers can actually find work and get paid without ever leaving the comfort of their home. And with RentACoder's "Safe Project Escrow" (see below), coders can work on

projects without the stress of worrying about the agreed-on payment time.

2. A Community Of Buyers And Freelancers

RentACoder has a vast international community of buyers and coders spanning virtually every continent in the world. They have over 64,700 buyers registered on the site as well as a pool of over 159,000 registered coders. At any given time, RentACoder has over 2,000 open bid requests awaiting qualified coders.

RentACoder was founded and is owned by Ian Ippolito. He is the Chief Executive Officer and holds a bachelor's degree in computer science from the University of Central Florida. The offices are located in Tampa, Florida, USA.

Open Your Eyes To The Profit Potential Of This Job Board

RentACoder is not just for programmers. Take a look around their site and you'll see what I mean. www.RentACoder.com

1. How Much Can I Make?

Fees vary depending on the nature and scope of the particular project. The smaller jobs can cost $20 or less while the larger

jobs can pay you thousands of dollars. The sky is the limit in RentACoder. You get paid according to your skill level and your capacity and readiness to work hard and deliver the goods on time.

2. How Does The Money Change Hands

One of the best things about RentACoder is that they take care of the money side of your business transactions with buyers. They have a marvelous instrument called "Safe Project Escrow" which assures coders that they will be paid.

3. It Is A Simple System

Let's say a buyer selects your bid from the dozens of bids received. After approving your bid, the buyer puts the agreed upon amount in escrow, meaning the funds are automatically forwarded to the RentACoder website. Once your work is complete and the buyer approves and accepts it, the funds are released to you.

Obviously there is a built in time lag built in here that you won't want to deal with, but once you have satisfied the customer, it shouldn't take all that much persuasion to get your customer to pay you directly on the next job. Or recommend to their friends that they take advantage of your discounts for direct billing and payment.

Your accumulated earnings on RentACoder can be released to you on the 15th of each month, at the end of each month or both times. Payment is usually sent a few days (two or three – another time lag), after your selected payment period. There are three payment options on RentACoder:

(1) Snail Mail Check
(2) Western Union
(3) Pay Pal

Granted you may want to take a deposit on a job but if it is a larger job and you have negotiated a deal, you need to be taking payments through your own billing system if at all possible. Obviously you want to have a solid contract in place to do that.

The first two are recommended for medium jobs and initial deposits (over $100 during each payment period) while the third one is recommended for small jobs. Any of the options are available to overseas coders depending on the availability of that particular service in their country. In the U.S. Merchant Accounts are available with easy and some with no application fee that are extremely liberal with their approval policies.

However in order for the website to be maintained, RentACoder charges a 15% fee on a coder's income. This is automatically deducted before payment is sent to the coder.

This 15% can actually be reduced depending on the auction type (see below) and the payment method that the coder and buyer agree upon.

5. Getting Jobs Is A Simple Process

There are two basic ways to get jobs at RentACoder:

(a) By winning bid requests – Once a bid request is placed on the site, virtually anyone can make a bid on that particular project. From the dozens or so bids received, the buyer selects one and that winning bidder gets the job.

(b) Private Auctions – These are auctions where you are invited to participate as opposed to the first one where you make a bid on a project that is open to all. In private auctions you either have a satisfied customer who asks you to do a new job or a new customer who is impressed with your rating and decides to invite you to bid on their job.

6. Beating Out The Competition

a)   Put your best foot forward
When you sign up to RentACoder, there is a portion in the sign-up procedure that asks for your resume. Unfortunately, a lot of newcomers do not give enough attention to their resume. This is a major mistake.

At the beginning and with no track record on the site whatsoever, your resume is one of the few things that buyers can study to assess your capability to do their job. For this reason, it is of paramount importance that you are able to present yourself competently on your resume. For detailed information on how to do your resume see Chapter 3.

When writing your resume, you should remember to be clear and concise. After all, you are a writer and clarity and brevity should be two of your strongest points. Don't simply put down a laundry list of past positions and tasks you have handled in your career. Give brief descriptions to each of them, particularly about the writing aspect of that particular job.

If your resume is too long, chances are it may turn off prospective buyers and limit your chances of landing jobs. The best advice is to include only your past professional experiences that relate to the current position you are seeking in RentACoder.

b)   Prepare an intriguing bid letter

Every time you make a bid for a project, you will have to write a bid letter. Make sure the first line in the bid letter catches the attention of the buyer. Make it lucrative and interesting. If you are a writer you already know this is called the "hook". It is what can make the difference between a buyer paying attention to you or just passing you by as ordinary. It is an

ideal opportunity to show off your skills as a writer. Your letter should tell the buyer one important thing: why you are an excellent candidate, if not the best person, for this particular job.

Remember, the ideal bid letter should discuss your experience and expertise. It should contain references to past jobs or writing assignments that are related to the job you are bidding for. If there is nothing in your work history that is related to the current job then emphasize your ability to handle a wide array of different subjects and your capacity to learn fast.

Another thing that buyers look for is speed and efficiency. Let the buyer know that you can tackle their particular job efficiently and quickly. Give them a firm commitment about meeting the deadline and assure them that you will be communicating with them regularly in the course of the job, if only to give them updates.

c)   Send buyers your best samples

Although not every buyer requires coders to send samples when they bid for a project, it is always best to send them samples anyway. Your samples will give buyers an idea of how you write and whether your particular style fits their project. For this reason, it is best to provide samples that have the same subject matter or are at least related to the subject matter of the job you are bidding on. This way, you not only exhibit your writing style but impress upon the buyer your

familiarity with the subject. This is always a major plus. However, if you have no related previous work, it does not have to mean you will be overlooked for the job. Send your best samples and you may have chance of landing that job anyway.

d)   At the beginning, aim low and sacrifice income

The most difficult time to get jobs on RentACoder is at the beginning when you are new to the site. That is because you are an unknown entity, with no track record on RentACoder whatsoever. You may have a glowing resume and impressive samples, but many coders want to know how you work given the parameters and conditions of RentACoder. For this reason your first priority should be getting a few jobs under your belt. Don't disregard the small projects (small pay, small deliverables, etc.). You may also bid for the major projects but, as a newbie, your chances of getting the smaller jobs are better.

Initially, your objective will be to establish a track record. Start with some simple projects that you can do easily. Don't make the size of the payment a priority. In fact, you will be much better off if you don't pay any attention to the payment at all. Once you have a number of projects under your belt – and potential buyers will take note of that – they are more likely to regard you favorably because you have a history of delivering the goods.

Of course, if you are a very talented writer with outstanding credentials and excellent samples, then, by all means, go for the higher paying jobs. There are always exceptions to the rule.

e)   Deliver quality work

In every job you do always give the buyer your best work. There are two reasons for this. First, you make the buyer happy and increase the likelihood that they will use you again for future projects. Second, the buyer will give you a good rating after completing the job. On RentACoder, a coder's rating is one of the main factors that buyers consider when handing out jobs.

Quality work ensures a satisfied customer. And satisfied customers give coders perfect "10" ratings. That is the highest rating you can get on RentACoder. If you can establish a string of a dozen or so consecutive 10 ratings, then you are sending a clear signal to all potential customers that you can do an excellent job for them. This will greatly enhance your ability to get more jobs.

f)   Establish a good reputation

Aside from ratings, buyers also post comments on their coder's work after they have completed the job. These comments are another thing that buyers look at since they convey much more than what a numerical rating can say. For instance, getting a 10 rating will tell prospective clients that

you have satisfied your previous customers but the comments portion is where they will learn about your professionalism, attitude and working style.

Comments are usually short one-liners that summarize a coder's performance. They may say things like, "It was a pleasure to work with a real pro like him" or "She delivered on all her promises and provided excellent results." These are the kinds of comments that can weigh heavily on a buyer's decision making process when looking for the right coder for the job. You want to encourage your buyers to submit those micro-reviews because the more you have, the easier it is to take a customer from inside the job board system to your own contract agreements and direct billing and payment to you.

g) Exhibit versatility

Since the projects on RentACoder run the gamut of practically any subject imaginable, it always pays to exhibit versatility to prospective buyers. Show them you can successfully write about a wide range of topics and that you can adapt different writing styles, be it serious, humorous, or provocative.

Among the most popular topics for writers on RentACoder are travel, health, real estate, relationships, romance, technology, the internet, and similar subjects. It pays to have some knowledge about these subjects tucked under your belt.

h)   Meet all your deadlines

Most of the buyers on RentACoder have deadlines and they expect the coders they hire to deliver the work within the agreed-on deadline. This is a basic requirement for any professional writer. Deadlines have to be regarded as almost sacred. No one wants to hire an undependable writer. If you want to be regarded as a professional and paid like a professional, you have to act like a professional and meeting your deadlines is part of that package.

i)   Give regular updates

In line with being a professional, freelance writers must also give their clients regular updates about how the work is progressing. Buyers will always want to know where their project stands. Most of the time, they just need to know that the writing is going smoothly and that you, the writer, will have no trouble meeting the deadline. However, they also want to know about any problems you may encounter, especially if these problems will hamper you from meeting the deadline or delivering quality work.

Thankfully, in RentACoder, there is a built-in mechanism that reminds coders that they haven't given an update in three days. Once you receive that notice, you know it is time to give your buyer an update. In addition, for major projects spanning weeks of work and costing hundreds, maybe thousands, of dollars, coders are required to give the buyer an update every Friday. RentACoder moderators can penalize the coder if they fail to do so. This will definitely affect their overall rating.

If you have a customer you have originally obtained as a client from a job board, remember they are used to receiving those updates and you need to implement a system whereby your contact management or task manager software reminds you to update them. Doing so will continue to build trust and confidence with your customer.

j)   Be open to revisions

Let's say you have just completed a batch of 20 difficult articles and have barely beaten the week-long deadline set by your buyer. You heave a sigh of relief and thank your lucky stars that the work is finished. That, however, is not the case. The work is not officially finished until the buyer formally accepts it. If the buyer is unhappy with the work, they have every right to request that you make revisions (as long as these are reasonable) and you are obliged to comply.

Unfortunately, many writers resist making revisions by insisting they have met every requirement stated in the buyer's original bid. They may be right and they may even convince the buyer that they are right. But if the buyer is forced to accept the work, the coder may suffer the consequences of refusing to respect the buyers request for a revision. The buyer may "punish" the coder by giving them a poor rating or by posting unflattering, nasty comments that will certainly affect the coder's future prospects of getting jobs with other buyers.

k)   Be honest

As a professional writer, never assume to know what the buyer wants if you are unsure about it. If you are not clear about something, ask. Don't go ahead and write about something if you are not absolutely sure about what your buyer expects. If you do and you are wrong, the buyer may ask you to rewrite the project all over again. This is something that all writers absolutely hate to do, correct? Hence, make it a rule to never assume. Buyers won't mind if you ask them a lot of questions as long as these questions can help you deliver the kind of high quality work that they demand.

l)   Make suggestions

Making suggestions tells the buyer that you have given their work some serious thought and they will appreciate the gesture.

m)   Go the extra mile

This is a general rule for success in virtually every human endeavor. Go the extra mile and deliver more than what is expected. This does not mean writing more articles than the buyer wants. What it does mean is proofreading your work and putting in the extra time it takes to make necessary revisions. Do everything you can to insure that the work you submit is impeccable and represents your best work.

Example

Do You Have Voice Over Esperience?

Have you ever thought about being a professional voice-over talent? Do you think you have the kind of voice and vocal delivery to be one? (I'm only using voice talent here regarding Elance.com as an example. This job board connects a myriad of types of buyers and freelancers.)

If you answered "yes" to either of these questions, then you will want to know about Elance. Elance.com is one of the most popular sources of voice acting work available for both professionals and amateurs alike, whether you are situated in the United States or anywhere in the world. It is a way to make a lucrative and long-term livelihood with your voice.

Opportunities abound for voice actors – acting professionals who make a living by using their voice in a host of entertainment outlets. One of the earliest venues of voice acting, which has grown even more popular through the years, is that of cartoon characters in animated shorts, film and TV. There are also voice jobs in TV and radio advertising, dramas, foreign film dubbing, and lately, video games and websites.

The list certainly doesn't end here. There are more jobs available in the voice acting profession today than during any other point in the history of this ever growing profession.

The field has become so vast that even amateur voice talents can earn a decent living.

Elance – Sounds Like An Electronic Weapon? May Be!

With over 100,000 projects assigned and completed in 2007, Elance is widely regarded as the largest online marketplace in the world for a host of professional services, especially those involving creativity and technology-based endeavors. It is a popular outsourcing venue for many small and medium-size businesses that wish to make significant savings by bidding out their projects to qualified professionals and service providers all around the world. For highly-skilled and qualified professionals, Elance provides a tremendous opportunity to earn dollars right in the comfort of their own homes.

I. Registering To Bid

Signing-up on Elance is easy. Here is a step-by-step guide to joining Elance.

1. Click the "Join Now" button on the upper left-hand side of the site.

2. In the Select Category page, click the box for Audio, Video & Multimedia. You will note that it lists "voice talent," aside

from other projects such as animation, music, streaming media, and post production work. Click "Continue".

3. You have four options at the Choose a Membership Program page:

(a) Select Membership - $149 quarterly

(b) Professional Membership.- $69.00 quarterly

(c) Limited Membership - $22.00 quarterly

(d) Courtesy Listing.-. which is free

(A detailed discussion of each membership level can be found below.)

Pick the one that is right for you. Select Membership is ideal for agencies or businesses. Voice talents will likely choose from either Professional Membership, which is ideal for individual professionals; Limited Membership, which is ideal for those who wish to place limited project bids; and Courtesy Listing, which is ideal for simply posting a provider profile (you wait for clients to contact you and will not be allowed to place bids).

In this page, you must also select a category. If you are exclusively a voice actor then select "Voice Talent." Other options include Animation, Commercials, Embedded Video/Audio, Music, and Others - Multimedia Services,

Photography & Editing, Podcasts, Radio Ads & Jingles, Videography & Editing and Viral Videos.

4. Fill-in your contact information and press "continue." Wait for your confirmation then press "Go" to complete the rest of the sign-up process.

5. In the Seller Profile page, select the subcategories where you wish to display your profile. The number of sub-categories you can select varies depending on the type of member you are. For example, Courtesy Members can only choose up to three sub-categories. Bear in mind that you can only bid on projects in those subcategories where your profile is displayed. Once you've made your selections, press "Done."

6. Click on the portion that says, "You must describe the services you offer to complete your profile." Fill in the requested information. Once you're done, click "Update Profile." A preview of how your profile will appear to others is presented to you. Now you have successfully signed in.

II. The Upsides For Members

Elance has four basic membership benefits that are available to all members (including courtesy listings) regardless of level. They are as follows:

1. Your profile is posted on the Elance website and it gives out vital details to prospective clients

2. Your portfolio is also posted and it contains samples of your finest work

3. You get regular notifications on new projects in the categories that you are interested in

4. You may receive invitations from interested buyers who want you to bid on their projects

Additional Benefits For Pros

Professional and Limited members get additional benefits that are not available to Courtesy Members such as the following:

1. Participation in Elance's packaged service program, which is by invitation only

2. A bid allotment of $80 per month

3. A private workspace for easier communication with prospective and present clients

4. Assistance from Elance in billing and payment matters

5. Inclusion in the Elance rating system, which grades various members on the quality of work they deliver and on their qualifications for particular jobs. Customers use these ratings as a gauge for a member's ability to complete the job at hand.

6. In case of disputes with clients, members receive assistance from Elance in mediation and investigation

7. Availability of the Elance escrow service to ensure that all payments are made in a timely manner

III. How You Get Work

Once you have completed your service provider profile, you can start getting projects. There are two basic ways you can land a project:

1. Bid for a project in the project marketplace. If the client finds your particular bid the most appealing, the job will be awarded to you.

2. You are invited to bid on a project. This usually happens when a previous client was happy with your work and wants to work with you again. It also happens when a new client finds your profile and/or samples appealing and wants to give you a chance.

IV. Starting Out On The Right Foot

This section lists several helpful tips to get you started on the right foot. It is critical that you have the right mind-set for the

challenges that lay ahead. Bear in mind that the biggest challenge to success on Elance comes at the beginning when you have no track record, rating or reputation. **Do not be discouraged if you fail to get a project right away.** Stick in there and try to follow these pointers as well as you can. Remember that worthwhile things seldom come easy.

Heads Up Tips - Starting Out On The Right Foot:

1. **Emphasize your experience and expertise**
All members are required to sign up at Elance. Putting the right information in your member profile can be a give you the hiring edge over your competition.

Use this as an opportunity to put your best foot forward. List all your major work experience that is significant to the Elance category you have chosen. State the number of years you have been a voice talent and enumerate the most significant projects you have done. Make special note of the most challenging and impressive voice characters you have played.

Try to be clear and concise. Instead of just listing all your professional positions, focus on the depth and breadth of voice characterizations and personalities you have portrayed. Explain why you chose to act them out in a certain way. The more understanding you can give to your potential employer about the why's and how's of doing a project in a particular way, the better chance you will have of getting hired.

Remember, you can never land a job by drowning prospective employers under an avalanche of useless information. In fact, the exact opposite may be true – a long and wordy profile may rub prospective clients the wrong way so much so that they will remove you from their list of candidates.

2. **Submit a powerful proposal**

To land a project, you have to submit a proposal that catches the attention of the project proponent. You can do this by putting the right kind of information in the two main fields that you have to fill in when making a proposal: "Ask the Buyer a Question" and "Describe Your Proposal".

Asking an intelligent question about the requirement can sometimes capture the customer's attention. It can tell him that you understand clearly the nature of the work involved and simply need some clarification. Questions that seek guidance about how to properly execute a script and what tone and personality to utilize (assuming that these are not obvious) are appreciated by clients because such queries reflect the voice talent's concern for meeting the client's needs and expectations. It shows you have enough insight about the requirement to know what to ask.

In the "Describe your Proposal" field, voice talents should impress upon the client that they understand what is needed. If you give information about a similar job that you have

accomplished in the past and attach a sample of that to your proposal, then you have just increased your chances of getting that job.

Some projects have a script attached for voice talents to interpret and send as part of their proposal. In such cases, use the "Describe Your Proposal" field to explain why you read a particular sample script in a certain way and why you chose to project a certain mood or personality.

You should also mention that you will be more than happy to submit additional samples based on any new in-puts or guidelines that the client may have. This is especially effective in cases where the client likes your voice but is having second thoughts about your delivery. Providing additional samples that address those concerns may convince the client that you are the right person for the job.

When it comes to submitting proposals, do not submit a "generic" bid that does not specifically address the job requirement. Savvy customers can detect a generic proposal right away and just as quickly eliminate the guilty party from consideration.

3. **Send only your very best samples**
When uploading voice samples onto your portfolio, you should carefully scrutinize each piece of work. Only include those that

you consider to be world class because these samples will be made available to prospective clients from all over the world.

If you are an amateur voice talent with no actual work experience yet, then you can produce your own samples. These voice samples are critical to your success so give them all the attention and time they deserve. Without job samples, any effort you exert to land a job is likely to be a waste of time.

Some projects provide scripts for talents to voice and send to the customer as a sample. These samples should be taken seriously. Tackle these samples the way you would tackle the actual job itself. These samples, more than anything else in the member's profile or proposal, will be the determining factor in deciding who to hire.

4. **Dazzle them with your range**

If you have the talent to execute scripts using different voices or a wide range of personalities, then do so. The more samples you provide, the greater your chances of landing the project. Of course, all of the samples you submit must be appropriate to the script and the client's particular needs.

5. **Build a track record**

When searching for someone to hire, clients look at the number of jobs a member has already completed on the site and the ratings that member has received for those jobs.

These are sign posts that tell clients about the competence and dependability of specific Elance members. They are key indicators of exactly how desirable a member's services can be.

For a member to be competitive on Elance, they must have an impressive track record of jobs completed and a glowing history of high ratings.

Neophyte Elance members should concentrate on building a track record and getting good ratings rather than earning the big bucks right away. A sound strategy for newcomers is to bid low for projects and sacrifice some income to ensure a better chance of landing jobs. A string of completed projects and high ratings increases a member's credentials tremendously in the Elance marketplace. It will greatly boost the chances of getting more work.

Naturally, there are exceptions to this rule. If you feel you qualify, then as by all means, go after the most lucrative projects on the site. Just remember that talent is not the whole picture. You also have to be diligent and disciplined enough to meet deadlines and consistently turn out the kind of quality work that the higher echelon of customer demands.

V. Ways To Get Work Consistantly

Now that you have learned the ropes of Elance and have notched a significant number of projects under your belt, there are two things to bear in mind for the sake of your future success.

1. Maintain a high standard of performance

The only sure way a voice talent can earn a regular and continuing income from Elance is to consistently deliver quality work.

Sustained excellence is hard to come by and highly coveted by clients no matter where in the world they are based. If you always deliver high quality work and leave your clients satisfied, then you can almost certainly count on repeat business coming your way.

In addition, a member who constantly delivers work of the highest standards is assured of having excellent reviews and ratings. For an online marketplace that is as active and competitive as this one, a superlative rating is tantamount to winning half the battle.

2. Cultivate a good reputation

Clearly, a good reputation is related to the above strategy of constantly delivering high quality work. However, it goes beyond just the actual work itself. A good reputation will assure you of winning the other half of the battle.

Cultivating a good reputation means never missing a deadline, being gracious and professional in all your dealings, and going the extra mile to make revisions or extra voice studies to meet your clients' demands. It means defusing potential disputes and handling every aspect of your job with diplomacy and professionalism.

A good reputation means you are a professional of the highest degree. Like scaling a mountain, it takes time and effort to reach the top. But once there, you will find that excellence is its own reward. If you can successfully maintain high standards, then you will be financially set for life.

Example

Internet Freelancing: How to Subcontract Jobs for a Profit

Freelancing on the internet has become a dependable source of income for many people, especially for skilled professionals from countries where jobs are scarce and salaries are low by international standards.

Internet freelancing first gained popularity in the nineties when small and medium-sized businesses in the United States discovered they could make significant savings by using foreign software developers and programmers. These developers and programmers were well-versed in web design,

application and database development, as well as system administration.

Recent studies estimate that at least 20% of all contracted websites, software development, and graphic designs worldwide, are the products of outsourcing to freelancers. Beyond software requirements, internet freelancing now involves such services as design (graphic design, logos, brochures, illustrations, etc.), writing (advertising copywriting, web content, creative writing and ghostwriting), business consulting (competitive analysis, marketing planning, accounting and bookkeeping, email management and direct marketing) legal services, administrative support, engineering, architecture and a host of audio, video, and multimedia services and applications.

Today there are many online marketplaces where buyers and sellers of such services meet and do business. These websites provide a forum where buyers can post their job requirements and qualified coders can submit proposals for these jobs. Based on these proposals, the buyer chooses who they believe to be the most qualified for the job and awards that job to them. Once the selected coder completes the job the buyer sends payment to the online marketplace. The online market place deducts its fee and sends the rest to the coder.

If the coder lives in a country where jobs are hard to find or where salaries are low, they have the potential benefit of

earning US dollars. Perhaps the best thing about earning money in this manner is that they do not have to leave their country or even the comfort of their own home.

The buyer benefits as well. They are able to get the job done in a professional manner at a relatively low cost. With this kind of win-win situation, it is no surprise why the online outsourcing industry has become a flourishing business. And with the presence of escrow services on many of these websites, the element of fraud is taken out of the equation and coders are assured of collecting their fees.

Such is the beauty of online freelancing.

With the success of the freelancing business on the internet, a new type of business opportunity has risen for the more enterprising coders. It is called subcontracting. That means getting freelance jobs on the internet and subcontracting them to other coders at a profit.

Subcontracting is ideal for coders who are not just technical people but who have a keen business sense as well. These are people who can immediately gauge which projects can be easily subcontracted out but still bear them a profit.

To succeed here, you have to be a skilled communicator with good people skills. You also have to be an expert in the type of work which you are subcontracting.

Do you think you may have the skills necessary to contract out these kinds of jobs?

Chapter 4:
Subcontracting To Other Freelancers

There are three basic elements that you, as a coder, must know in order to subcontract out jobs effectively:

1. You Have To Have The Skills
As we mentioned, you have to possess the technical skills needed to do the job yourself. You should not only be well-versed but an expert in your chosen field of endeavor. This is because it is necessary for you, as the person doing the subcontracting, to understand the following:

(a)   Better Than Standard
You have to make sure that the work you receive from subcontractors is the kind of quality that the buyer will accept. Ideally, the quality should be better than the buyers lowest accepted standard.

You cannot get paid on a regular basis if the quality of work your subcontractor coder submits is below standard. While most buyers will understand missing the deadline by a few hours or a day, virtually none of them will tolerate poor quality. Yes, sometimes they are paying rock-bottom rates based on the business standards of developed nations, but it is

still a professional transaction between buyers and coders and, as such, they expect professional work.

If the job you are subcontracting involves writing you need to be a good writer too. You will need to have impeccable grammar and the ability to communicate clearly. In addition, you will also need to know how to edit for clarity and brevity. You will have to possess the talent needed to improve the subcontractors work so that it is worth more in the eyes of your buyers.

(b)   Keeping Yourself Covered

There will be occasions (and hopefully not many of them) when one of your coders will be unable to complete a job that has been awarded to you from a buyer. Or you may have landed a job and can't find any qualified coder to subcontract it to. Given the short notice and the difficulty of finding a good coder, you may have to roll up your sleeves and do the job yourself. It pays to have the talent and technical skills to do so.

Beyond the ability to add to the number of articles and words required, you may also have to redo the writing in terms of the quality required. Let's say one of your coders has impeccable grammar but a style that is dry and long-winded. That may not be what the buyer expects and you, as the main contact, will have to do something to fix that. If you have an

elegant sense of style and a way of making words come to life, then you have the skills to put an extra dash of flavor into the work.

In the minds of many, talent is the most important benefit that an online entrepreneur must have if they are going to be successful using subcontractors.

2. You'll Need A Pool Of Skilled Subcontractors

To subcontract jobs, you will naturally need to have access to skilled coders. The key word here is "skilled." It is easy enough to bring together a group of online workers who have technical knowledge in a given area but are their skills adequate in the world market? Once again, having an eye for talent comes into play.

The good news is that it is easy to find skilled coders. Coders who hire subcontractors can often find coder support from the same place where they landed the online job in the first place. These coders, originally providers of services, switch profiles to become buyers of services. They look for coders who have the same skills they do except that these coders are willing to work for less.

Two good sources of this kind of skilled coder can be found at Rentacoder.com and Elance.com. which were profiled earlier.

In addition, the internet is not the only place to find your skilled coders either. Perhaps all you may have to do is take a good look around you.

For example, there is a skilled journalist from Manila in the Philippines who has been a successful coder for years. He recently started outsourcing some of the jobs he has landed online and has been rather successful at it. Since he works in a newspaper, he simply passes on some of the work to his colleagues in the press. Since his colleagues are all professional writers who have established their own credibility, he has no problem delivering quality work or meeting deadlines.

However, this kind of approach will not work for everyone. Perhaps the biggest reason why he succeeds is the low wages even highly skilled professionals receive in the Philippines.

Today, through subcontracting jobs instead of doing them himself, he has been able to increase his monthly income three-fold

3. Be A Sharp Business Person
Winning jobs and subcontracting them is an entrepreneurial endeavor and if you want to be a successful online entrepreneur, you have to possess a keen business mind.

In this kind of business the service you perform is the same thing as being a middleperson in the sense that you make a living in that gray area between buyer and seller (and it is a gray area for you because you are both a buyer and seller as well). However, in your case, it is a little different. For most middle people, the key to success is buying low and selling high. In your case, given the particular nature of freelancing on the internet, it is the exact opposite -- you have to sell (your services) high and buy (the services of subcontractors) low.

Do you think you have the key qualities necessary to succeed in outsourcing work to subcontractors? If you think you do, why not try it?

Three Considerations To Subcontracting

The following are a few key considerations that will help you successfully launch your new career:

1. Be Detailed In Your Job Descriptions

Before you even begin to work, the first thing you should do is take a good, long look at yourself and examine your skill base. What are your marketable skills? What are the areas where you feel the most confident about your work? Are you good enough to be able to tell the difference between quality work

and mediocre work? Make your self-appraisal as objective and honest as possible.

Don't try to be a jack of all trades and a master of none. Sure, you will probably earn more in the short run if you bid on as many projects as you can regardless of your ability to do the job. However, this is a sure way of ruining your reputation in the long run.

Just imagine what it would mean to your reputation if your coders were submitting inferior work to you and you did not know how to tell the difference. You may get away with submitting this kind of work to buyers and they may not raise a howl given that the work meets their bare minimum, but more than likely they will never use your services again. Sooner or later word will spread about your penchant for delivering inferior products and no one may want to hire you.

Defining your scope of work is also practical because it allows you to concentrate your efforts in that area therefore increasing your efficiency.

In business school, professors teach students to avoid working on several small business projects at the same time because chances are a small business project will take almost as much effort and time to become profitable as a large one. Instead students are counseled to take on the largest project available

and focus their energies on that alone. Hopefully, you can do the same.

2. Don't Underestimate Yourself Or The Job

If you are a good online entrepreneur you will understand and know how to gage your profit margin. That way you can accurately assess how much you need to bid to land a project and how much it will cost to bid it out.

Before you begin to bid for a project, you should have an idea of how much you will potentially earn from it. Those valuations should become second nature to you. You know that Project X costs $200 and Project Y costs $300 and you know you can find subcontractors who can finish the work for $100 and $150, respectively.

Aside from the quality of the project you also have to understand the importance of meeting the deadline. The best jobs for this kind of set-up are naturally those which have the longest deadlines. It is important to be able to estimate how long the job will actually take

When it comes to meeting deadlines, one way to manage your timetable effectively is to divide the large jobs and farm them out to several coders.

Let's say you've been awarded a writing job to write an e-book on childcare with 10 chapters for $2,000 over a 45 day period of time. Bid out each chapter separately among 10 coders and allocate, say, $100 for each chapter over a 25 day period. This way you don't have to worry about the deadline because you've given yourself a 20-day buffer and you stand to earn $1,000 for your efforts.

If you are going to handle a project in this manner you must be able to rewrite the articles you receive in order to make sure the entire book "flows" seamlessly and that the same style and tone of voice is consistent throughout.

3.   Building Your Pool Of Subcontractors

In many cases, this is the most important asset needed when subcontracting work to others. Here are a few additional tips to help you out in this regard:

> ➢ **Know How To Subcontract Good With The Right People**
> ➢ There are four things you should look at when hiring a subcontractor – their resume, their samples, their rating, and their client testimonials.

The last two are critical because it is easy to prepare a bogus resume and samples, especially on the internet.

If you look at those four things and feel you have found the person you are looking for, hire them.

➢ **Maintaining A Happy Crew**

➢ A happy coder always delivers better work than an unhappy one, given the same skill level. You keep your coders happy by dealing in a polite and professional manner, paying them on time and understanding them when they fall or falter (and believe me, they will miss a deadline now and then). Give them respect and they will give you their best.

4.   Keep Your Customers Coming Back

Here is the main reason why quality counts – it is quality, more than anything else, that will make your customers come running back to you again and again. Always put a premium on quality. First-class work is sometimes hard to find, especially given a limited budget. If you consistently deliver first-class work, you assure yourself and your coders of a prosperous business well into the future.

There is a popular saying in sales which says that "It is eight times easier to get new business from your current clients than it is from cold calls." In other words, make sure you ask your clients for referrals from people they know or work with who may need the service you provide.

Some coders hesitate when it comes to asking for referrals because they feel it is unprofessional. They feel asking for referrals is like asking for a favor. That is not really the case. If you have faith in your ability to deliver good work you are actually helping your client because of your willingness to provide quality work to their friends or business associates. That will reflect well on them too. It is a two-way street.

Now that we have looked at three on line venues we are ready to look at developing eye catching resumes that will help you land some of those great paying opportunities.

Now you must think about how to present yourself in such a way as to be immediately perceived as a consummate professional. How you run your business is just as important as producing timely quality work.

Once you have gained a job board customers trust, and a customer knows you are capable of excepting payment directly through your own payment system, many will like the idea that they can pay you directly by credit card and cut out the middle man.

So let's talk you accepting credit cards an you accepting payments through your own online payment system.

Chapter 5:
Accepting Credit Card Payment On Or Off line

How does that work?

When you're running a business that accepts credit cards, it is a good idea to understand how the money gets from that thin piece of plastic in your customer's wallet to your bank account. A solid understanding of credit card processing can help you to trace problems and troubleshoot transactions.

There are four parties involved in the typical credit card transaction:

- The cardholder (your customer)
- The merchant (you)
- The cardholder's issuing bank (credit card company)
- The merchant's acquiring bank (where you have your funds deposited)

Credit card transactions involve three steps: authorization, clearing, and settlement.

Getting Credit Card Authorization

The process begins when a buyer sends credit card information (usually the account number, expiration date, and credit card verification code*) to your payment system

through your website or to your third-party merchant account. Basically, the buyer is requesting permission from the credit card company for a loan in the amount of the purchase they're attempting to make.

The information is sent to your acquiring bank, which then passes on the request to the card issuer. If the cardholder's credit limit is enough to cover the purchase price, the issuing bank transmits an approval—usually in the form of a credit card authorization code. The entire authorization process takes just seconds to complete.

*A credit card verification code is the three-digit number found on the back of a credit card at the end of the series of numbers printed on the signature strip. This code is known as CVV2 on a Visa card and CVVC on a Mastercard. The verification code is a security measure that has recently come into popular use, particularly for online transactions, as added protection against card and identity theft. Since the verification code is not encoded onto the magnetic strip, obtaining it requires actual possession of the card.

How Posting To The Customers Statement Works

After the transaction is approved, the next step in the process is known as "clearing." This involves the transmission of basic information about the specific transaction (such as the date,

location, and amount of the purchase) to the issuing bank, so the transaction can be recorded and posted to the buyer's monthly credit card statement. Again, this step is nearly instantaneous, and occurs in a matter of seconds.

Settling Account Purchases

In this final step, the actual funds process is initiated. The credit card issuer begins the fund transfer process from their account to yours. The actual transfer can take from three to five business days, depending on the policies of the two banks involved.

Systems Available To You?

There are several different methods or systems you can use to accept credit cards through your website. For quite some time, enlisting the services of a third-party merchant account was the only effective way to process credit cards online. However, today there are more options than ever. You can choose the method that best suits your business and your budget.

Merchant Account? What's That?

One of the primary methods of accepting credit cards online is through a merchant account provider. This type of service involves an additional bank with the credit card process—in

other words, the funds will go through one further step to reach your account.

A merchant account involves you, the merchant, opening an account with a bank that provides online credit card services. When a customer makes a purchase through your website, they will fill out a form you have integrated with your server that routes the information to the merchant provider (most merchant account services will provide you with the software you'll need for the form). The actual funds you receive are from the merchant provider. By setting up a merchant account, you are agreeing to give the provider permission to collect the credit card payments from your customers.

There are hundreds of thousands of merchant account service providers online today. Merchant services in general have advantages and drawbacks, which vary according to the provider. Which one you choose—or even whether or not you use a merchant service—will depend on the needs of your business.

Three Layers Involved In The Process

If you use a merchant account to accept credit cards, there are three layers involved in the process, though your customers will see only one.

Your web site is the first layer, and the only one visible to Internet buyers. You must integrate your website with your merchant service provider's in order to successfully accept credit cards. Most merchant providers will give you the necessary software or instructions to install the payment form on your website.

The **payment gateway** is a code that transmits your customers' order to and from your merchant account provider. This is what allows you to accept billing information and performs the validation steps necessary for a credit card transaction. You will find a more detailed explanation of payment gateways in chapter three of this book.

Finally, the **merchant account** is the actual account in your name at the bank or financial institution that is providing you with the ability to accept credit cards. All transactions are cleared through the merchant account. Most merchants choose to have the funds received through their merchant account deposited into their business checking accounts.

Associated Fees Can Be A Drawback

Though many Internet businesses are satisfied with merchant accounts, the associated fees can be a drawback that sends merchants in search of other solutions. However, my personal feeling is that the control of your money with a merchant

account far out ways the lower costs of a 3rd party payment system provider.

There are several fees merchant account providers charge for various phases of the process. Different merchant services may have different fees, but basically they all fall under one of the following categories:

- Upfront application fee
- Ongoing fixed fee
- Discount rate
- Fixed transaction fee
- Termination fee
- Miscellaneous fees

Following is an explanation of the various fees and what they cover.

Upfront application fees: This is a common charge merchant service providers assess to cover the initial cost of setting up an account, in case you decide to back out and not open an account. Nearly every merchant service lists an upfront application fee, but many providers will waive the fee in order to compete with other providers. You should not have to pay an upfront application fee.

Ongoing fixed fee: Again, this is an almost universal fee among merchant service providers. The monthly fixed fee, or

"statement fee", is the main way merchant providers cover their business costs and turn a profit. Statement fees average around $10 per month; if a merchant provider is charging more, you should look elsewhere.

In addition, most merchant providers require a monthly minimum charge, usually $25. The minimum is accrued through percentage charges on your transactions—the funds you pay on your transactions are counted toward the monthly minimum rate. If your business is steady and profitable, you won't have to worry about the minimum. However, if your monthly transaction charges do not equal $25 or more, you will be required to pay the difference in addition to the statement fee.

Discount rate: This is the sales commission the merchant provider earns from each sale you make (which counts toward your monthly minimum). The normal discount rate for merchant service providers is between 2 and 4 percent. The discount rate is subtracted from the funds you receive in your merchant account. For example, if the discount rate is 3 percent, and a customer makes a $10 purchase from your website, the merchant provider retains 30 cents of that amount before forwarding the balance to you (minus the fixed transaction fee).

Fixed transaction fee: In addition to the discount rate, most merchant providers assess a flat fee against each transaction

they process, usually between 20 and 30 cents. As the name suggests, this fee is the same for every transaction. Whether you get a $5 sale or a $500 sale, you still pay the same transaction fee in addition to the discount rate.

So, in the example above: consider the fixed transaction fee as 25 cents. If a customer makes a $10 purchase, the merchant provider would assess a 3 percent discount rate on the total purchase price ($0.30) and the fixed transaction fee ($0.25). They would then forward you the balance of $9.55.

Termination fee: Merchant providers require you to sign a contract for a specified period of time, usually one year. Like satellite television service, many providers will include a hefty termination fee if you cancel the contract before it expires. Some providers require a three-year contract. Therefore, it's important to read the fine print before you sign a contract with a merchant account service.

Miscellaneous fees: This applies mainly to refunds, usually called "charge backs" in credit card lingo. If a customer requests a refund, the amount must be credited to their cardholder account. Charge backs are an expensive proposition for merchant service providers, but the cost is deferred to you as a merchant. You can expect to pay between $10 and $30 for each chargeback to your account.

Also, keep this in mind: If your merchant account accrues excessive charge backs, the merchant provider has the right to terminate your account. They also have the right to withhold your funds until such time that you have built up a reserve amount that they can pay for possible future charge backs. If your account is terminated due to excessive charge backs, you probably will not be able to open a merchant account with another provider for at least a year, as your business will be deemed "high risk."

Figuring Out Average Monthly Costs

If you have been in business for a while and are able to determine an average monthly sales revenue, you can approximate the total percentage cost of using a merchant account service to accept credit cards through your website.

First, determine your approximate monthly revenue, and factor in the number of refund requests you generally receive. If you have not been accepting credit cards, you can use a guesstimate number of around 5 percent for charge backs.

Next, figure out the amount of your average sale less discount rate and fixed transaction fee (with a 3 percent discount rate and 25-cent transaction fee, $9.55 for a $10 sale). Multiply this by your average number of transactions per month, and add the statement fee.

Now, determine your total anticipated chargeback fees and subtract that from the total you arrived at above. The number you come up with will be your total estimated charges for the month. You would then figure out what percentage of your total sales this number represents. Use this percentage to compare merchant account service providers and determine which one offers the best deal for your company.

The Pros And Cons

The Upsides of Having A Merchant Account Are:

- Ability to accept credit cards in addition to Visa and Mastercard, such as Discover or American Express
- Complete integration with your website to create a more professional appearance
- Additional security and protection for both you and your customers provided by the merchant account service
- Monthly statements provide easy, centralized transaction records
- Faster receipt of funds, as you do not have to wait for the customers' credit card transactions to clear

Some Of The Downsides:

- Greater responsibility for you as a merchant regarding site maintenance, field service issues, fraud liability, and general accountability
- Several monthly fees
- Long-term agreements and termination fees
- Risk of cancellation and "high risk" status if you accrue too many charge backs

If a merchant account does not seem like the right solution for your business right now or in the early stages of your business, there are other options available that will allow you to accept credit cards on your website. Primarily 3rd party payment system providers.

Without a merchant account

3rd Party Payment System Providers

The Mighty(?) PayPal

You can also accept credit cards online without a merchant account, through a credit card processing service (also called a third party provider or 3rd party payment provider system).

The most widely-known example of a third party provider is PayPal. These services are generally less complicated than merchant accounts. Again, there are advantages and disadvantages to using a third party provider.

With a third-party provider, there is sometimes a one-time setup or application fee, but never a fixed monthly fee or a flat transaction fee. Third-party providers take a percentage of each transaction. The fee tradeoff is that the percentage charged by third-party providers is much higher—sometimes up to 15 percent. The larger providers have lower percentages, such as PayPal, which assesses a 2.9 percent fee for each transaction.

In some cases, third-party providers are the obvious solution. You should consider a third-party provider if:

- You would rather not directly work with credit card numbers and other sensitive private financial information
- You do not have or want a secure server for your website
- Your transactions average less than $1,000 per month
- You have had a merchant account cancelled due to excessive charge backs, or you are operating outside the United States
- You would like to test credit card sales on your website before making a commitment to a long-term merchant account

Third Party Provider Inner Workings

Rather than allowing your company to accept credit cards directly, as a merchant account does, a third-party provider accepts credit cards on your behalf. You do not have to set up or integrate a form on your website to use a third-party provider. All that is required is a link from your products to the provider's validation service.

Third-party providers offer links to their validation forms in various ways. For example, PayPal allows you to generate HTML code for customizable buttons that link to a page for a specific product. Most providers can be integrated with your

shopping cart system or used to sell products or services on an individual basis.

When a customer decides to buy from you, they click on a hyperlink or linked image that leads them off your website to a secure landing page hosted on the provider's server. They then enter their financial information. The provider sends a receipt for payment to the customer, and a sale notification to you, so you can fill your order. For a more detailed explanation of linking your website to a third-party service provider, see chapter three of this book.

Some service providers deposit each transaction into your account on an individual basis. Others will send you a monthly payment for all funds received, minus the percentage-per-transaction fee. Since there are no monthly minimum rates or flat monthly fees, if you have a month with no sales you will not owe money to the third-party provider.

Third-party providers are not a long-term solution for most businesses. If you are just starting out, or just beginning to accept credit cards, using a third-party provider will allow you to get started faster and build your business to the point where your income makes a private merchant account a feasible option.

Pros And Cons

The advantages to using a third-party provider to accept credit cards on your website include:

- Low or no setup fees
- No monthly or minimum fees
- Fast, simplified installation and shorter time-to-launch (hours or days, as compared to weeks for merchant accounts)
- Flexible regulations for accepting merchants, including "high risk", poor credit, and international merchants
- Quality customer support
- Allows merchant to process credit cards "hands-off"

There are disadvantages as well:

- Higher per-transaction rate can translate to less per sale for companies with strong sales volume
- Less stringent regulations equal higher chance of fraudulent business practices
- Lower website integration results in less professional appearance for your website
- No Personal Security – PayPal can seize your funds at any time without warning. They have recently done this many times to prominent Internet Marketers with high PayPal Balances.

Whether you choose to start with a reputable third-party provider and graduate to a merchant account or remain with a third-party provider for the life of your business, these services can benefit you as an online merchant if you do your research and compare percentages and features.

Types Of 3rd Party Payment System Providers

There are two types of third-party merchant providers: general purpose, and digital information. General purpose providers will accept credit cards on your behalf for any (legal) goods or services, while digital information providers will only deal with electronically deliverable items such as e-books and downloadable files.

Following are a few examples of each to get you started. You can find more third-party merchant providers in the Resources section of this book.

General purpose

PayPal – www.paypal.com: The largest third-party provider online with over 100 million member accounts, Ebay-owned PayPal also boasts one of the lowest transaction rates for third-party services at 2.9 percent. PayPal merchants can send money to anyone with a PayPal account, and receive payments from anyone with a valid e-mail address.

2CO – www.2checkout.com: This service charges a one-time setup fee of $49 and a 5.5 percent transaction fee, but will allow merchants to accept most major credit cards, including Discover and American Express.

Digital information

ClickBank – www.clickbank.com: Charges a one-time activation fee of $49.95 plus a 7.5 percent per transaction fee. ClickBank account holders also receive automatic enrollment in an affiliate program that allows others to sell your product for you, in exchange for a small commission.

Digibuy – www.digibuy.com: This third-party provider specializes in software, shareware and electronic art sales. Their rates are fairly steep at 13.9 percent; however, they provide merchants with "brandable" order forms, invoices, and shopping cart systems so your customers don't feel like they're leaving your site to place an order.

Chapter 6:
Credit Cards And Bank Debit Cards Are The Same For Your Purposes

How Debit Cards Pay

Debit cards are a relatively new facet of the world of payment options. They basically look and act like credit cards, but the funds are drawn directly from the cardholder's checking account rather than the issuing bank.

When debit cards were first introduced, they were billed as "plastic checks." Early debit cards could not be used the same way as credit cards. They were simply another payment option that could be used at physical stores with card swipe terminals. Debit cardholders used a personal identification number (PIN), usually four digits, to authorize the purchase.

Today, though these limited-use cards still exist, most people choose to receive a debit card that can be used as a credit card with signature-based transaction authorization. Debit cards with a Visa or Mastercard logo on the front are generally accepted anywhere credit cards can be used—including online.

There are many reasons consumers choose credit-associated debit cards. These include:

- The ability to pay for purchases anywhere Visa or Mastercard is accepted
- Easier than writing checks
- Automatic record of transactions provided in a monthly statement or through online account access
- The ability to withdraw cash when paying for purchases at most stores and gas stations
- Provides credit card convenience for people with poor credit who can't get a traditional credit card
- Spending limited to the balance of your checking account; helps prevent overspending

When a buyer uses a debit card to make an online purchase, the process is nearly identical to that of credit cards. There are two slight differences: the funds are taken directly from the cardholder's personal checking account rather than the issuing bank's, and the transaction is completed faster—one to three business days rather than three to five.

The major drawback associated with debit cards is the fees involved in some transactions. Different issuing banks assess fees at different points during the transaction. These fees can include:

- Monthly fees
- Per-transaction fees
- Cash withdrawal fees

- Merchant processing fees (usually charged by stores when a PIN-based transaction is made)

Additionally, many credit-associated debit cards will authorize transactions when the checking account funds are insufficient to cover the purchase. In most cases the cardholder, rather than the merchant, is responsible for the overdraft charges.

Accepting Debit Card Payments

Accepting debit card payments online is quite simple. If you have the capacity to accept credit cards, you can also accept any debit card that carries a Visa or MasterCard logo.

You may have heard that merchant fees for accepting debit cards are lower with PIN-based transactions than with signature-based transactions. This is the case for brick-and-mortar establishments with card swipe terminals that allow cardholders to choose the debit or credit option.

PIN-based transactions have not been made available for e-commerce. However, a Canada-based company called UseMyBank (www.usemybank.com) has developed software that allows online buyers to pay for goods and services by accessing their checking accounts in real time—using the same process banks offer to pay bills online.

The UseMyBank service is currently available only in Canada, but the company plans to expand their services to the United States and internationally. Provided enough banks agree to make this type of transaction available to their customers, this method may catch on. It is beneficial to merchants in that the funds are transferred immediately. Customers also benefit because merchants do not receive their banking information, making the service one of the most secure options available.

Chapter 7:
EFT Or Electronic Funds Transfer

EFT Or ACH What or which is it?

Electronic funds transfer (EFT) is like a debit card transaction without the debit cards. EFT services are also referred to as an Automated Clearing House (ACH). This payment method transfers money directly from one checking account to another.

All ACH services are associated directly with Federal Reserve banks. It is a nationwide system used by merchants to collect payments from customers, transfer money between accounts, or offer automatic bill pay—an option used largely by utility, telephone, and other communications-based companies.

There is added security with an ACH payment system as well. Only banks or financial corporations with bank guarantees are

allowed to send and receive funds through the ACH network. This protects both merchants and consumers by ensuring against fraudulent or fly-by-night companies gaining access to financial information.

Rather than charging a percentage of transactions, ACH service costs are based on the number of transactions regardless of the dollar amount (a "batch-oriented" fee system). The rate decreases for businesses with large volumes of transactions. Additionally, there are lower charges for bounced checks through the ACH network.

ACH Inner Workings

The ACH network is one of the most reliable and efficient funds transfer systems in the United States. The system is governed by the operating rules of NACHA (the electronic payment association) and each member bank adheres to their code of conduct and inter-bank clearing processes. For more information about NACHA, visit their website at www.nacha.org.

There are four organizations that act as ACH operators— central clearing facilities for all ACH transactions. They are:

- The American Clearing House Association (ACHA)
- The Federal Reserve (FED ACH)
- The Electronic Payment Network

- Visa

Public sector transactions are all currently handled by the FED ACH, which processes 85 percent of all transactions through the network. If you sign your business up to accept payments through ACH, you will be dealing with the Federal Reserve.

For the most part, the FED ACH handles repetitive retail payments and pre-authorized recurring payments. Repetitive retail payments include service items like gym memberships, online gaming accounts, and website hosting services. If you have set up a recurring monthly bill to be taken directly from your checking account, this payment is authorized through the ACH network. A pre-authorized recurring payment refers to things like utility payments, insurance premiums, direct deposit payroll accounts, and Social Security payments.

Even if your business doesn't require customers to provide recurring monthly payments, you may still be interested in an ACH service for your business. This provides another automated payment option for people who do not have or want credit cards, or for those still leery of using a credit card online.

Here is a look at the cycle and some of the terms associated with an ACH transaction:

Presentment and Return

When a bank or ACH processor submits a request for payment to the ACH system, it's called a "presentment." The first time the request is submitted is called 1st presentment. Because ACH transactions are drawn from available funds in checking accounts, they can be returned if the balance is not enough to cover the payment. If the initial request is denied, the transaction is then called 1st presentment returned. Items can be resubmitted to the network and re-returned, just like paper checks.

Unlike paper checks, however, there is no paper involved in an ACH transaction. There are a variety of terms commonly used to describe an ACH transaction, including *truncated check, electronic draft, item, transaction, debit,* and simply *check*.

The ACH Transaction Process

Checks sent into the ACH network are processed through separate channels from paper check processing. The ACH network serves as the intermediary between your bank and your customers' banks, and all electronic items are processed through this clearing house. When a request for payment of an item is received by the ACH network, the funds are automatically deposited into your account and taken from the customer's. If the funds are not available in the customer's

account, the item will be returned to you for repayment and you will be assessed a return fee. You can then resubmit the item without new authorization from the customer.

Definition Of ACH Terms

Following are a few common terms used to define the different entities in an ACH transaction:

Originator: Any individual, merchant, or corporation who initiates (sends) items into the ACH network.

Originating Depository Financial Institution (OFDI): Any participating bank or financial institution that initiates (sends) items into the ACH network at the request of its customers (your bank)

Receiving Depository Financial Institution: Any participating bank or financial institution that is qualified to receive (deposit) items into its customers' accounts (the check writer's bank)

Receiver: Any bank or financial institution that is qualified to receive (deposit) ACH items and abides by the operating rules and guidelines of NACHA

Using The ACH Payment Solution

If your business bills customers on a monthly basis, an ACH payment solution is a good fit for your company. However, even if you do not have monthly recurring charges, you may still handle a large volume of transactions per month, which makes ACH a cost-effective method of accepting online payments from your customers.

Your customers will also benefit through an ACH payment service. Many people find it convenient to have payments automatically deducted from their checking accounts, whether it is a one-time or a recurring payment. In general, ACH services will provide you with a link to a secure payment form hosted on their website's server to handle transactions.

There are several providers of ACH payment services (also referred to as electronic check services) available to you as an online merchant. Here are just a few of them:

Electronic Clearing House, Inc. (ECHO): http://www.echo-inc.com/check_services.html

E-Tran, Inc.: http://www.e-tran.net

Select Payment Processing: http://www.selectcheck.com/

Chapter 8:
Accepting Checks On And Off Line

Checkmatic Software Products:

http://www.checkmatic.com/

Accepting checks through a service:

http://www.chekfaxx.com/merchant.htm

Credit Cards Are Not The Only Answer

Without a doubt, credit cards are the most popular option for making online purchases. However, this does not mean you should limit your payment options for your services to credit cards—though you should definitely not leave the credit and bank debit cards option out.

If "instant results" is one of the most influential factors in an online consumer's purchasing decision, then a wide selection of choices is right up there with it. The more options you are able to offer your prospective buyers, the more likely they will be to find one that suits them and their needs as a consumer—and consequently buy from you versus your competition that may be just as skilled as you but does not offer all the payment options.

The best way for you to increase your online sales is to keep your options as open as possible. In addition to credit cards, be willing to accept debit cards, electronic checks, phone payment or even mail-order purchases through paper checks

or money orders. You can even establish a toll-free order number and allow faxed orders if you are truly driven to extend your range (just don't attempt to accept handwritten IOUs or indentured servitude).

Accepting Multiple Forms Of Payment Wins

A recent study by CyberSource Corporation indicates that websites that provide four or more payment methods in addition to credit cards boast a sales conversion rate (website visitors to buyers) that is an average of 12 percent higher than those offering credit card payments only or credit cards and only one other payment option. This likely has as much to do with customer trust as the actual number of payment methods: if you are willing to accept multiple forms of payment, you're letting the customer know that you are trying to make their experience with your business as convenient as possible. Customers appreciate a company that will go the extra mile to ensure their satisfaction and views the company as more professional than those that don't offer multiple forms of payment.

You must make it easy for your visitors to make a purchase. For many people, the Internet is a confusing enough place without having to navigate through new systems they may not have used before. For others who are proficient with using the Internet, if you shatter their expectation of instant gratification, they will move on to your competitors—who

probably accept credit cards or some other form of payment the customer prefers like payment by check.

Bounced Checks And Outright Check Fraud

There are services that can protect you from bad checks. As referenced in the beginning of this chapter; http://www.checkmatic.com/ services like Check Matic can be the Answer for what can become a real problem if you are not prepared for it.

You need to shop around and compare services. There are plenty check services for vendors online. Just Google "online check verification". Be diligent in your research and comparison of these services. The links noted in this section are for example and I am not specifically recommending any particular service.

Chapter 9:
Bullet Proof Marketing Plan for Freelancing Includes Having Your own Billing System

You looked at what is out there at the end of chapter Two. In chapter Three you discovered what your skills are, organized them, and formulated a resume. Now it is time to match your skills with available jobs.

In order for you to succeed, there must be a market for what you have to offer. It is the old model of supply and demand. There must be a demand for what you have to supply. If there is not a large enough market you will not succeed. It could mean adjusting and refining your information sites. That is why research is essential.

It is a balancing act between finding an area that is not being overworked and areas where there is not enough work. In other words, you have to find an area where the demand for your expertise is high and the supply for that type of work is low.

Previously I suggested going back to school. You can gain experience or education in order to fit into a niche where the demand is high and the supply is low. With experience and specialization your value as a freelancer increases.

So far you have discovered that having skills and identifying these skills is essential. Next you learned that finding a niche that is high in demand is important to success. What you need to understand now is that none of these will work if you don't also have passion for what you are doing. Your heart has to be in it. This is the fuel in the car that keeps you moving toward your goal.

Sometimes passion and skills are not enough. Let's say you are passionate about computer repair. In fact you are so passionate about it that you went to school to earn a degree in computer technology and repair. More than that, you graduated at the top of your class. You decide you want a job repairing PC's. Unfortunately there are at least ten qualified applicants for each job available. Because the field is not as specialized as it once was and because there are so many more qualified people who can do PC repair, your service will not pay high wages.

But what if you went to school and got a certificate to work specifically on Apple computers? Because there are less people qualified to work on Apple computers than those who can work on PC's, your ability will be specialized. It is a niche area that has a high demand and a low supply. This translates to higher pay.

The last thing to remember after you complete a bullet proof marketing plan is "not to give up."

Freelancing is hard work with many challenges. Once things get flowing, all aspects of your business will get better. Don't let a set back or two get you down. Learn from your mistakes and use them to keep moving ahead. You will eventually succeed with the right plan. It may take some tinkering, but the pay off is well worth the hard work.

As you begin to do Freelancing you will want to focus on the jobs. This, of course, is your bread and butter. However, you must pay attention to your marketing strategy.

Without a strong plan you will go through cycles of hot and cold. When you are hot and you have jobs, the money comes pouring in. But then comes the cold spell; no jobs, no money. You find yourself frantic and scrambling for that next job.

Take Their Money Any Way They Want To Pay

You find one and accept whatever pay is offered just so you can make sure the lights stay on. To be able to do that you have to put yourself in a position to accept payment in whatever form the customer want to pay you. Often times you undercut your usual price just to have work. If you don't have your own payment system you may have to cut your price even more. Then you get a couple of jobs and the money is coming in again.

You don't need a weatherman to predict the hot and cold season for you. You need a good marketing plan to keep this from happening.

You have to set time aside to work on marketing yourself. It is essential for making your bullet proof strategy work. When this is working you will always be hot because you will always be in demand. There will be no cold spells because you will have constant client inquiries asking for your services.

What is the secret of the bullet proof marketing plan? First you find a way to get new clients. The next step will be to turn those potential clients into sales. Finally you have to make those one time customers long term repeat customers that are your customers alone and not customers that you're still using a job board as a middle man to get their continued business.

The next chapter will cover this in more detail. If you can dedicate a few hours each week to this marketing plan, you business forecast will always be sunny.

Now let's talk about your options for accepting payment as part of your marketing plan from the beginning, and the pros and cons of using a 3rd party payment system provider and other options.

Chapter 10:
Methods Of Getting The Green

In this chapter, you will learn how comprehensive online credit card processing systems work, and how to integrate them into your existing website (or add them to a new website, if you don't already have one).

More On PayPal (Yes More)

What Is PayPal? Just One Option

PayPal is an online payment system with a network of over 100 million users worldwide—currently the most popular funds transfer service on the Internet. PayPal allows businesses and individuals to transfer funds electronically between bank accounts, and from credit or debit cards to bank accounts. Some of the common uses of PayPal's services include:

- Paying for online auctions (PayPal is owned by Internet auction giant eBay)
- Purchase goods and services from online merchants
- Make donations or "good faith" payments
- Send cash to anyone with a PayPal account

A basic PayPal account is free. There are some fees associated with business accounts, but the good news for your customers is that they don't have to pay extra to make a

purchase from you through PayPal. Anyone with a valid e-mail address can sign up for PayPal's services. From there, any number of checking accounts and credit or debit cards can be linked to the account. If there is more than one checking account or card associated with the account, users are given the option to choose which one will be used for each purchase or payment.

The PayPal System

For most businesses, a PayPal account acts as an intermediary between fund sources and bank accounts. When money is paid or transferred through PayPal, the funds reside in the PayPal account until you initiate a transfer to your checking account. Many online buyers, particularly those who frequent eBay, keep money in their PayPal accounts to make online spending easier.

If you decide to accept PayPal payments for your business, the first thing you'll need to do is open an account. You can start with a basic account, but you'll want to upgrade to either a Premier or a Business account as soon as possible. You can do this right from the start, or you can upgrade after your account is established.

To sign up, go to the PayPal home page and click on the "Sign Up Now" button. You will be given the option to open a personal, business, or premier account (see the next section

on what each account type offers). After you make your selection, you will be asked to enter some basic personal information: name, address, telephone number, and a valid e-mail address. The address you sign up with will be associated with the account, and customers can send you PayPal payments using this address.

Once the signup process is complete (and you have clicked on the link in your verification e-mail to return to the PayPal website), you will be asked if you would like to add a checking account or credit card to your account. You will likely want to add your checking account. Once it is verified, PayPal will display the verification on the payment page your customers see. This builds trust and confidence for your business.

When you enter your checking account information, PayPal will initiate two small deposits into your checking account (usually between 5 and 15 cents). The confirmation process involves checking your bank statements and entering these exact amounts at the PayPal website, which tells PayPal that you actually own the account. Once your checking account is verified, you can electronically transfer any PayPal funds received at no charge (the transfer process usually takes 3 to 4 business days).

If you don't want to transfer funds into your checking account, or you want occasional faster access to your PayPal account, you can apply for a free PayPal debit card or

business Visa, which can be used anywhere credit cards are accepted. The PayPal card draws from your account; the credit card is a regular Visa with a PayPal logo added.

What is the difference between the types of PayPal accounts available? Here is what each one involves:

There's More One Type Of Account For Accepting Payment

Personal

- Free to open, no monthly fees
- Send and receive money
- Shop online with eBay and merchants who accept PayPal

Premier

- All features of Personal account
- eBay tools and merchant services
- Accept credit, debit, and bank account payments

Business

- All features of Premier account
- PayPal ATM/debit card included
- Multi-user access

Transaction fees for Premier and Business accounts

Total amount of monthly payments	Fee
$0.00 -- $3,000	2.9 % plus $0.30 per transaction
$3,000.01 -- $10,000	2.5 % plus $0.30 per transaction
$10,000.01 -- $100,000	2.2 % plus $0.30 per transaction
$100,000.01 and up	1.9 % plus $0.30 per transaction

Unlike merchant accounts, PayPal does not require a long-term contract, setup fees, or monthly, startup, or cancellation fees.

How can you use it?

There are four ways online merchants typically use PayPal to accept payments through their websites.

Standard Website Payments And Off Line Options

As with other PayPal methods, there are no additional fees associated with this package. Website Payments Standard can

be integrated with an existing shopping cart, and allows your customers to pay through PayPal even if they don't have a PayPal account themselves.

For $20 per month, you can add the option to accept credit cards by phone, fax, mail, or in person with PayPal's Virtual Terminal service. This feature is included in the PayPal Website Payments Pro package.

PayPal Website Payments Pro

This package includes all the features of the Standard package, and also provides the features of merchant accounts and gateways for less money. The Pro package is currently the only PayPal plan with a monthly fee ($20), but again requires no contract, startup or termination fees. The Virtual Terminal is included with this system, and it is recommended that you use a shopping cart system already integrated with Website Payments Pro. You can find a directory of PayPal-ready shopping carts here:

http://solutions.paypal.com/procarts/

PayPal E-mail Payments

This is a professional invoicing system available free with a Premier or Business account. You can send e-mail invoices to your customers, who then pay by clicking on the link within

the message. The invoicing system is easy to set up (it takes about ten minutes) and customers do not need a PayPal account to make payments. You can also add Virtual Terminal to this service for $20 a month.

Other PayPal Payment Options

If you already accept credit cards on your website, or you decide to sign up for a merchant account or other third-party processing service, you can add PayPal as an additional option for your customers. Typically, this is accomplished with customizable buttons you can install on your website (PayPal will generate the HTML code for you). When a customer clicks on the button, they will be taken to a page hosted on the PayPal server to sign in to their PayPal account.

Many Internet consumers who already use PayPal for eBay and other purchases may prefer this option, and you can increase your sales by adding a PayPal option to your website.

They Have To Make Money Somehow

With all these free services, you may be wondering how PayPal manages to be a profitable company. PayPal's profit system is arranged similarly to that of a bank: they earn interest from the "float" of the funds they manage. With over

100 million accounts, there are always funds sitting in some of them earning interest for PayPal.

Of course, they also profit from the transaction fees and the monthly fees for their Virtual Terminal service. PayPal is unique in that it was the first funds transfer company created specifically to service the Internet. Their commitment to quality and service has allowed them to become one of the giants of e-commerce.

PayPal – Caution, Danger, Warning

PayPal & Internet Marketing Related Products.

If you are selling any product that states the buyer can make money by either using the product or by reselling the product ***you are not going to want to use PayPal.***

At the time this book is being written PayPal is really no longer friendly with anything Internet Marketing Information or Software related.

If you do sell an Internet Marketing related software, ebook, or resale rights type product it is likely a matter of time until your PayPal Account is closed without warning.

Many people we have spoken to recently have had their PayPal accounts closed in the past 30 days at the time of this e-books writing.

Most notably is an account that was previously approved by the owner's personal PayPal rep.

You get a personal PayPal rep when your volume is $20,000 monthly or higher. They are always available by a direct phone number or email to solve any issues you may have.

A person (Who will remain nameless for our purposes here), had 2 accounts closed without warning and over $35,000 seized and held by PayPal without releasing his money for over 6 months.

Keep in mind this was after this persons PayPal rep had told him his site looked good and his business was in compliance with PayPal's terms. Then without warning, another department within PayPal closed these two accounts.

The PayPal personal rep's only answer was "Opps I'm really sorry I thought it was ok. I don't know what happened, I have not heard of this happening before, I thought your site looked ok."

Has PayPal gotten so big that the left hand does not know what the right hand is doing? It appears this is a real possibility.

You would think it would be illegal for a company to seize your money without warning stating that your site is against their very vague AUP policy, especially when another department has told you everything on your site is ok.

It appears this is not the case and because of this we recommend you use extreme caution when dealing with PayPal if your are creating software products or information products that have to do with internet marketing.

PayPal can, will, and has in the past, seized money on nothing more than a whim with no warning whatsoever.

They will not tell you in advance they do not like your site or your business model, they will not give you an opportunity to fix what ever they mysteriously decide do not like, they will just seize your money without warning.

Keeping these PayPal issues in mind, **I highly recommend you only use PayPal if you have no other options. For example when you first acquire a customer through a freelance job board you may not have any other choice.**

If PayPal does seize your money, in most cases they state they will return it in 180 days. That's 6 months folks! Guess who gets the interest earned on "your funds" that accumulate over those 6 months. It's not you I can assure you of that.

If you do decide to gamble with your money and use PayPal we highly recommend you keep a very small or even no balance in your PayPal account.

Also keep two bank accounts. When you make a PayPal withdrawal transfer the funds from PayPal into your bank account "#1" that is connected to your PayPal account. As soon as that money hits bank account "#1" transfer it to your second bank account "#2" that is not connected to any PayPal account as soon as possible to give PayPal no way to reverse these funds back out of your bank account; should they decide they suddenly do not like your business model on your website that you used to earn these funds.

I have not heard of PayPal actually reversing funds back out of your account yet, but with the way they are going, I personally would not take any chances when it comes to allowing PayPal any way to get their hands on your money.

The Best Solution – "When Possible Avoid PayPal At All Costs" if you are selling services that provide Internet Marketers with courses or software to help improve their business. You are much better to pay a slightly higher fee

somewhere else like www.clickbank.com than trusting your hard earned money with PayPal.

For further details on PayPal's shenanigans, and what you do not want to chance happening to you or your money please read the stories at www.PayPalSucks.com << you would do good to check their forum as well.

Chapter 11:
Why A Shopping Cart For Freelancers

Can Freelancers Use Shopping Carts?

A shopping cart system (sometimes referred to as an "online storefront") is a type of website that allows customers to "browse" your products, select and store a purchase, and continue to shop without losing track of their purchases. Many shopping cart systems are searchable and span several dozen or hundred web pages.

Perhaps the most well-known example of a website that uses a shopping cart system is Amazon.com. With millions of products to choose from, Amazon must have a way for shoppers to navigate their product pages, find what they're looking for, and save their selections without having to backtrack when they're ready to buy.

Most shopping cart systems are not as complex as Amazon's. In fact, even websites with only one or two products offered can make use of a shopping cart system, as it makes things easier on the customer when it comes to making a purchase. They can simply select the items they wish to purchase and click on a button or link labeled "Check out" (or Buy Now, or some similar sentiment) to be redirected to an ordering page.

Another important feature of shopping cart systems is the ability to calculate applicable tax and shipping, and keep a running tally of order totals in progress. This is beneficial to the customer, who does not have to try and keep track of how much money is being spent.

Provide your shoppers with carts to hold all those order items!

If you are a freelancer with packaged services you have put together with different options and prices, you may well want to consider a shopping cart.

Actually A Shopping Cart Is More Of A Cash Register

When e-commerce first came on the scene, online merchants had one option: HTML forms. Most forms were simple, but efficient—as long as a customer was only purchasing one or two items. Any more and the order form had to appear on a separate page, and often customers who wanted to place orders for multiple items resorted to either trying to move back and forth between product pages and order pages (which was a good way to lose track of the order) or writing down the order information before reaching the order page.

HTML forms evolved into shopping cart software. This enabled customers to save product information in a virtual shopping

cart and "check out" several items simultaneously. Running order totals simplified the process further.

Today, shopping cart software is most often a part of an overall package called "Storefront" or "Virtual store-building" software. In addition to the shopping cart portion, storefront software allows you to change prices, set up promotions and sales, add or delete products, manipulate graphics, and provide a secure server for ordering—all through your web browser when you're signed in to your storefront account.

For an example of full-featured storefront software, check out www.cafepress.com. Café Press provides free storefronts and lets account holders create customized products like hats, coffee mugs, t-shirts and key chains, and offer the items for sale through a customizable storefront that can be integrated with an existing website.

How Can You Use It?

Let's take a look at the different functions of storefront software and determine how each of them might apply to your online business:

Navigating Your Store And The User Interface

When customers arrive at your storefront, they will decide quickly whether they're interested in buying from you based on what they see. It is important to ensure that your storefront is as neat, efficient, and well-organized as any supermarket aisle, with clear labels and obvious ways to check out. Online buyers expect three things from their Internet shopping experience:

- Convenience
- Security
- Efficiency

If one or more of these things is missing, they are likely to look elsewhere for the same types of products.

Simple navigation is also important to online shoppers. If they can't find what they're looking for fast, it's off to Google to look for another online merchant.

Your navigation system will depend on the number of products you're offering and the complexity of your website pages. If you have 20 or fewer products, you can get away with one page that lists them all with brief descriptions and clickable thumbnail images that point to a full product page. Storefront software contains a database that keeps track of information such as product name, price, weight, descriptive text, SKU, and the product image file name. This makes it easy for you to display your products.

For larger stores, navigation becomes a bit more complex. Many online stores with large product inventories use a combination of hierarchical (embedded) department menus and site-specific search engine to help customers locate specific products. The menus and search boxes are usually displayed on every page of the website for maximum customer convenience.

Keeping Your Cart Simple So They Don't Get Lost

Your customers should be able to browse your website without losing track of their selections, particularly if you offer a lot of products. Shopping carts make this easy. Each of your products should feature a link that will allow them to add the item to their shopping cart, and check out any time with their selected purchases.

In addition to running totals, tax, and shipping calculations, most shopping carts will allow customers to specify multiple numbers of the same product, and to add or remove products at will. Advanced storefront software often features shopping carts that allow customers to select different varieties of the same product—a blue sweater and a white sweater, or a large mixing bowl and a small mixing bowl. Not every merchant will require these additional capabilities. Microsoft Commerce is a

good example of an advanced storefront system with a fully customizable shopping cart.

Checkout – Totaling Their Bill

The running total storefront software keeps on orders through your website can vary according to the sophistication level. In general, the tab shown during the shopping process reflects the price of the items before tax and shipping, and the additional costs are calculated at checkout.

Tax is something of a sticky subject for online businesses. At this time, the official tax law is that online customers only pay tax when the business operates a physical location in the same state. If you own a franchise business or have stores in multiple states, calculating taxes can be difficult. Some storefront software allows for plug-ins like Taxware's Sales/Use Tax System (www.taxware.com) that automatically calculates real-time taxes in the United States and Canada.

For shipping, the storefront software will likely use look-up tables organized by shipping zones. The shipping calculation takes into account the weight, price, and quantity of ordered items as well as the distance to be shipped. Many programs are now connecting to UPS's integrated Quick Cost Calculator Tool (www.ups.com/tools/tools.html) in order to determine the most accurate and up-to-date shipping costs for an order.

Note that if your items are particularly large or heavy, it is probably a good idea to include an estimated shipping cost right on the product order page. This way customers don't suffer from "sticker shock" when their order goes up $50 after shipping is added.

Virtual Cash Register Security And Confirmation

The majority of storefront software is designed to work with an SSL secure server when customers arrive at the checkout page. Most Internet shoppers understand that the little padlock symbol in the lower right-hand corner of their web browser means their personal information will be protected— and most will not purchase with a credit card if they don't see that symbol.

Another advantage of the storefront software checkout process is instant order confirmation. Most storefront programs will display an on-screen receipt once the order has been submitted; they will also send an e-mail containing a copy of the receipt to the customer's e-mail address. Without these confirmations, customers may feel they're sending their credit card information into cyberspace, never to be seen again. Knowing their product or service is on the way will help you gain repeat business and word-of-mouth sales.

Store Manager's Office

This is the part of storefront software your customer never sees. A back office web browser interface allows you to make changes to your website storefront without installing software on your computer or making changes to your HTML template. It's easier than ever for merchants to maintain and operate an online store right from their computers.

Following are the primary tasks associated with your back office:

Where Did Your Customers Go In Your Store

One of the functions of the back office is to keep track of individual shoppers so the software can remember which products go into whose shopping carts. This is generally accomplished in one of three ways:

- **Cookies:** Some shopping cart programs track visitors with a small computer file called a cookie, which contains the cart number. This file remains on the visitor's hard drive while they are on your website. This is the most popular method for tracking shoppers, but some Internet users disable cookies on their browsers because the files can sometimes be used by hackers to harvest personal information.

- **Temporary IP number:** This is a number automatically assigned to a user who is logged on to the Internet. The IP number is not visible to visitors, but it can be read by most storefront software. Many software programs use this method of identification when a visitor's browser is set not to accept cookies.

- **Randomly generated cart number:** Shopping cart software that uses this tracking system adds a randomly generated number to the end of the URL that appears in the browser's address field. The number is "sticky"—it stays on the URL for every page visited by the customer assigned to it.

There is another good reason for you as a merchant to keep track of your shoppers, and that's repeat business. Some storefront software keeps a database of customers who visit your website, and records information such as how long each visitor stayed, which products they viewed, which products they bought, and whether they have agreed to receive special offers or discounts from your business via e-mail. Other types of software includes "membership" feature that offers discounts or free items to any shopper who agrees to receive promotional mailings or sign up for a list.

Amazon uses software that keeps track of customers and what they view, so that whenever a shopper returns to the website they are greeted with their name and a handful of special selections they may be interested in based on their

past views and purchases. This type of customer tracking is available in advanced storefront software products such as Microsoft Commerce and Intershop Online (www.intershop.com).

Integrating Product Delivery And Account Information

The security of your website is generally visible to the customer only on the order placement page. However, your customers' security may be compromised at the back end if you don't have SSL (Secure Socket Layer), protection on your order pick-up area. If you use storefront software, and either view orders on the screen for printing or download the files into a program like Microsoft Excel to import into your fulfillment system, you will need a secure server for this process. (Note that if you use a third-party processor for credit card transactions, you won't be dealing directly with customers' credit card numbers and personal information.)

Most storefront software does provide a secure means for picking up orders online. Many also allow for integration with real-time credit card authorization systems (merchant accounts and third-party processors that allow integration, such as Authorize.net).

When it comes to integration with your accounting system, you may have some trouble as the technology is still in its

early stages. Many online merchants still print out transaction records and manually re-key the information into an order fulfillment system for processing. However, there are some storefront software programs that will integrate readily with QuickBooks or EDI (Electronic Data Interchange format, which bridges account systems in B2B transactions).

Changing, Adding And Modifying Products & Prices

Any good business will make constant changes to their product offerings, details, prices, and special promotions. At the start of e-commerce, adding products or changing the aspects of an existing product meant going in to the website template and changing the HTML code. Modern storefront software eliminates the hassle of HTML coding and makes changing the product listings on your website far easier.

There are generally two ways to set up your products with storefront software:

Data Changes – Through this process, you maintain your product database on your computer's hard drive. When you make changes to the database, transferring the changes to your website is a simple matter of uploading the entire database periodically. This automatically updates your website and incorporates any changes you've made. If you are using a Windows-based environment, you will likely

upload through a Microsoft Access database. Unix operating systems generally use comma- or tab-delimited files for storefront databases. Large stores with a wide variety of products commonly use the database method.

Web Based Store Management – The latest storefront software maintains your product database on your ISP's server. To make changes to your website with this type of software, you simply log in to your owner account and access the back office on your web browser. Smaller online stores are likely to employ browser-based maintenance, as it is easy to access and view the entire database online. The Yahoo! Store program (http://store.yahoo.com) is an example of a storefront service that uses browser-based maintenance.

Specials, Premiums And Promotions

Another function of your back office is the ability to appoint sales and promotions to certain products or initiate store-wide discounts for certain customer classes (such as those who order $50 or more in a single order, or returning customers).

Product Pictures And Lay Out

Graphics often play a large role in e-commerce. Since you are not running a physical store where customers can see and handle items, it is important to let your visitors know what your products look like if it is a physical product. If you are

doing graphics work show them samples. Web page design work show them samples. Even books and e-books should have cover graphics displayed.

Most storefront software will allow you to upload and place your own graphics on your website. Some software, such as the Yahoo! Store program, will automatically generate thumbnail images and color headline graphics for each product you enter into the database. The thumbnails can then be placed on a single page and linked to the fully detailed individual product page. You have to be careful about image dimensions in consideration of your web page lay out. One picture not sized correctly can throw off the lay out of the entire page.

Different Kinds Of Shopping Carts

Now that you know what to expect from a shopping cart or storefront system, let's break down the different types of systems available. This will help you narrow the field further in terms of what you are looking for on your website.

There are four different programming types of shopping cart systems to choose from:

- **Traditional CGI shopping cart:** CGI, or Common Gateway Interface, is a standard interface that allows

HTML programming to interact with various program applications. A traditional CGI shopping cart is supported by all major browsers, and the cost is generally low-end. However, these types of shopping carts are maintained through HTML coding, making setup and maintenance time-consuming. They also tend to load slowly and take up a major portion of your bandwidth and system resources.

- **CGI/Cookie shopping cart:** A CGI cart that uses cookies is easier to set up and maintain, faster than a traditional CGI cart, and uses less bandwidth and fewer system resources. However, if a shopper who has disabled cookies in their browser attempts to use the cart, the order process will not work—and the shopper can easily become frustrated and leave.

- **Java applet-based shopping cart***:* Java programming provides a rich and visually appealing interface for your website visitors. However, an applet-based cart system necessitates your building the entire store inside the applet (program application). These types of carts can be slow and difficult to customize.

- **Javascript/cookie shopping cart***:* Fast, easy to set up, customize and maintain, visually appealing, easy on bandwidth and system resources, javascript cookie carts have it all—except the ability to process orders for customers who have disabled cookies. However, many of these programs have gotten around this by relying

on temporary IP addresses when cookies are not allowed.

3rd Party Shopping Cart Systems

When it comes to actually obtaining a shopping cart system, you have three choices regarding the source of the software:

- **Freeware:** This choice, obviously, is free. The downside to a freeware shopping cart system is that it often does not have the capacity to support a large store. Also, there are limited customization options and often no merchant support or customer service. Freeware is an adequate solution for online merchants with only one or two different products.

- **Commercial:** You can purchase shopping cart or storefront software from a variety of software vendors. There are hundreds, if not thousands, of products on the market, ranging in price from a few hundred to a few thousand dollars. Some companies offer customized storefront software based on the needs of the merchant; others have one-size-fits-all packages with changes being left up to the storefront owner.

- **Web based***:* Web-based software includes programs like Yahoo! Store and Microsoft Commerce. These software

programs are at once ISPs and customizable storefronts, with the back office located online and a wide range of available features. Many Internet merchants choose these all-in-one solutions for online businesses, as they don't have to worry about maintaining separate accounts for everything.

If you plan to select storefront software, it is a good idea to take your selections for a test drive before you implement them on your website. Most storefront software providers will give you a free trial period (usually 30, 60, or 90 days) to familiarize yourself with the software and discover whether it is the right solution for your business. A good storefront package can make running your business simpler and faster—and you will be able to accept credit cards with ease.

Chapter 12:
Taking Payment By Phone

What is it?

There are two options for your business if you want to accept credit card orders over the phone. You can take calls yourself and either enter the information into a web form or use a telephone credit card processing service to call payments in; or you can enlist a third-party call center to take telephone orders for you.

Not An Old Fashioned Method

Telephone credit card processing can be an ideal solution for the mobile, on-the-go virtual business owner. If you travel frequently for your business or attend trade shows on a regular basis, you may want to consider telephone credit card processing (also referred to as a virtual terminal).

With a virtual terminal, you obtain the credit card information from the customer, usually over the phone or face-to-face, and then call in to a toll free number and follow the automated voice prompts to enter the information into the system. Virtual terminals are usually linked to the system you use for your website, so the payment will be transferred to your account in the same way as your online orders.

Your Wireless Virtual Cash Register

There are various fees that can be associated with a virtual terminal. Some of them require application fees or one-time set-up fees, a per-transaction processing fee, a monthly minimum, or cancellation fees. A few phone credit card processing companies charge an annual fee, or a voice authorization fee (one time) for dialing in to your account.

If you do not or prefer not to spend a lot of time in your company building or home office, having a virtual terminal is useful in several respects. You can dial in to a virtual terminal from a landline or a cell phone, and for smaller businesses the service eliminates the need for a swipe terminal or PDA device. Additionally, most virtual terminals will allow you to upgrade to point-of-sale equipment if your business grows.

Virtual terminals are more secure than online transactions, since you are never routed through the Internet for transactions. Since most have the ability to fully integrate with existing credit card processing systems, using a virtual terminal service can be an excellent alternate payment method for your business.

Phone Payment Processing Centers

Third party call centers, also called outsourced call centers or third party verification services, provide a variety of services

for businesses. Commonly offered services through a third party call center include:

- Inbound order processing and credit card processing
- Inbound customer support and customer service
- Inbound event registration
- Inbound help desk and technical support service
- Inbound overflow call management
- After-hours or permanent answering service

Inbound, in reference to third party call centers, refers to calls that come in to your business. Telemarketing services and firms typically represent outbound services.

Using the services of a third party call center is a good idea for certain types of businesses. If your company accepts telephone orders or provides a toll-free number for customer contact or services, you may want to consider a third party call center service. Some of the most common reasons for outsourcing calls include:

- 24/7 availability of support staff, which allows call centers to react faster to a rise in call volume, even when it occurs during peak business times
- Professional customer support representatives: Third party call center operators are trained to provide clients with quality, industry-specific support and service

- Depending on the size of your company, you may be able to eliminate training, scheduling, and retention of staff by outsourcing to a third party call center
- All customer support services are unified on one bill, allowing you to closely control and manage cost
- Outsourcing to a third party call center can actually save you a substantial amount of money if your call volumes are typically high, as you do not have to pay staff or lose time answering the phone yourself

How do third party centers charge for their services? Usually, outsourced call centers format their billing in one of three ways:

1. *Per minute:* This is the most common billing method used by third party call centers. Clients are charged on a per minute basis for only the time that a call center representative spends on calls associated with your account.
2. *Per call:* Some third party call centers bill clients on a per-call basis rather than per minute. This is most common when the call center regularly handles businesses whose calls are more or less uniform in length.
3. *Per representative:* The least frequent billing method used by third party call centers is dedicating a representative (or a number of representatives) to

individual accounts and then charging clients a per-hour rate for each representative who handles their account.

Getting Started Accepting Payments Through Your Site

Once you have decided to accept credit card payments through your online business, you must then install the credit card processing service you've chosen on your website. Depending on the method you use to accept credit cards, the installation process can take a few hours, a few days, or even weeks for more complex, fully integrated solutions.

You will most likely take one of three routes for installing your credit card processing system:

- Add buttons, web forms, or hyperlinked text to your existing product pages;
- Install storefront software and position or upload your products into the software's system, or
- Start over (or start for the first time) with a complete website storefront package through an ISP such as Yahoo or Microsoft

Regardless of which method or system you use, there are a few things all online merchants should be familiar with when operating an Internet business.

Location, Location, Location

One of the most important considerations regarding your credit card payment options is website placement and design. Your main goal should be to make it easy for visitors to become customers by placing orders in just a few clicks.

If you are already selling online, you can get an idea of whether your ordering and checkout process is convenient for customers by checking the ratio of abandoned shopping carts to total orders. If more than 10 percent of your visitors leave items in their shopping carts without checking out, your checkout process probably needs some work.

Website design in regards to order placement is not only important, it's also often overlooked. Abandoned shopping carts on average occur online around 32 percent of the time— one third of Internet buyers never complete their purchases.

Why does this happen? Typically, it's for one of two reasons:

- The shopper is new to online purchasing and can't figure out how to get to the end of the complicated checkout process, or is afraid of making a mistake and being charged twice
- The shopper is an experience Internet consumer and doesn't want to be bothered wading through a long and

complicated checkout when the same type of product can be obtained faster elsewhere

There are several things you can do to make the shopping and checkout process easier and more convenient for customers. If you have several different products, installing a search function on your website is a big plus. You can download and install a site-specific Google search box for free from Google here: http://www.google.com/faq_freewebsearch.html

Another good practice is to make sure your order form is all on one page. It may look neater to have a customer fill in a few fields and then click on the button for the next page, but it can be frustrating to have to go through so many pages before your order is finally placed. This is especially troubling for dial-up users, who usually have to wait longer for the pages to load.

Finally, make sure each product features its own "Add to cart" button or link, both under the thumbnail and on the actual product page. If a customer does not immediately see how to buy the product, it will remain un-bought.

You can test your ordering process by asking a few friends, family members or associates to make a small purchase through your website, and then requesting honest feedback on the simplicity of the process. Be sure to ask someone who

won't pat you on the head and say "that's nice"—you want to know whether or not the process really works!

You Don't Need To Know A Lot About HTML

Fewer and fewer storefront software programs or other website services rely on HTML coding to set up and maintain a website. Most people can design a professional-looking web page using an interface program such as Microsoft Frontpage rather than creating the entire site with HTML. This is good news for all HTML-intolerant online entrepreneurs—even if you couldn't tell a code snippet from a binary string, you can still set up and maintain a great-looking website.

However, you should have at the least a basic understanding of how HTML works, and be able to copy and paste code snippets into your website's template.

Just Copy And Paste Small Bits Of Code

A code snippet is a string of HTML that generates a particular item on a website, such as a button or search box. There are many websites that will generate free, customized code snippets to place in your website's template. With them you can add surveys, badges, Google boxes, PayPal buttons, and more to specific places on your website. Generally, the program that generates the code snippet will explain where to place the code—but it won't tell you how to access your web template.

Steps For Pasting Code Into Your Template

If you have never used HTML coding before, you may not know how to find the template you need to paste code snippets into. Here's how:

1. Log in to your account for your hosting service and locate the File Manager (all web hosting services have a File Manager).
2. Click on the link for the HTML editor. Note that for some hosting services, such as Yahoo Geocities, the HTML editor is part of the File Manager.
3. Open the HTML screens on both your File Manager and your HTML editor.
4. In the HTML editor, open the web page you want to add the code snippet to. (If you use a separate program such as Microsoft Frontpage to create your web pages, open the HTML editor in your web page program and copy the code, then paste it into the HTML editor in your browser.)
5. Copy the code snippet you want to paste onto your computer's clipboard (select the entire string, and then either right-click and select "Copy" or choose Edit→Copy from the file menu at the top of your window).

6. Insert the cursor into the HTML editor at the point where you want the code snippet pasted.

7. Right-click and select "Paste" or choose Edit→Paste from the file menu at the top of your window

8. Click "Save" on the HTML editor to save the changes. Some web server programs will allow you to preview your page before you save, so you can correct mistakes.

Putting PayPal To Work

Although we do not recommend it, for large payments or long term billing, if you decide to initially use PayPal as a payment option on your website, you can install either Buy Now buttons or the PayPal shopping cart system depending on which PayPal program you're using.

PayPal is one of the easiest systems to install, if you are willing to take a chance on them seizing your money without warning (see Chapter X or www.PayPalSucke.com for details). If you use Microsoft Frontpage to design your website, you can obtain free FrontPage tools from PayPal to easily add Buy Now buttons or a shopping cart. You can also set up subscription and other recurring payments with PayPal through FrontPage.

If you don't have a lot of products and already use a shopping cart system, you can design custom Buy Now buttons for each of your products that will automatically redirect customers to a PayPal sales page that charges the amount you specify. To generate code for Buy Now buttons:

- Log in to your PayPal account
- Click on the "Merchant Tools" tab at the top of the page
- Scroll down and click on the "Buy Now buttons" text link, located in the links box on the right-hand side of the page
- Enter the requested information for the product you are creating the button for (item or service name, item ID number [optional], price, currency, country)
- Select the style of "Buy Now" button you want to use (you can view more styles by selecting the radio button next to the Buy Now image), or link to a custom image on your website by entering the address of the image
- Click "Yes" to encrypt your payment button
- Click on "Create button now"

You will be taken to this screen:
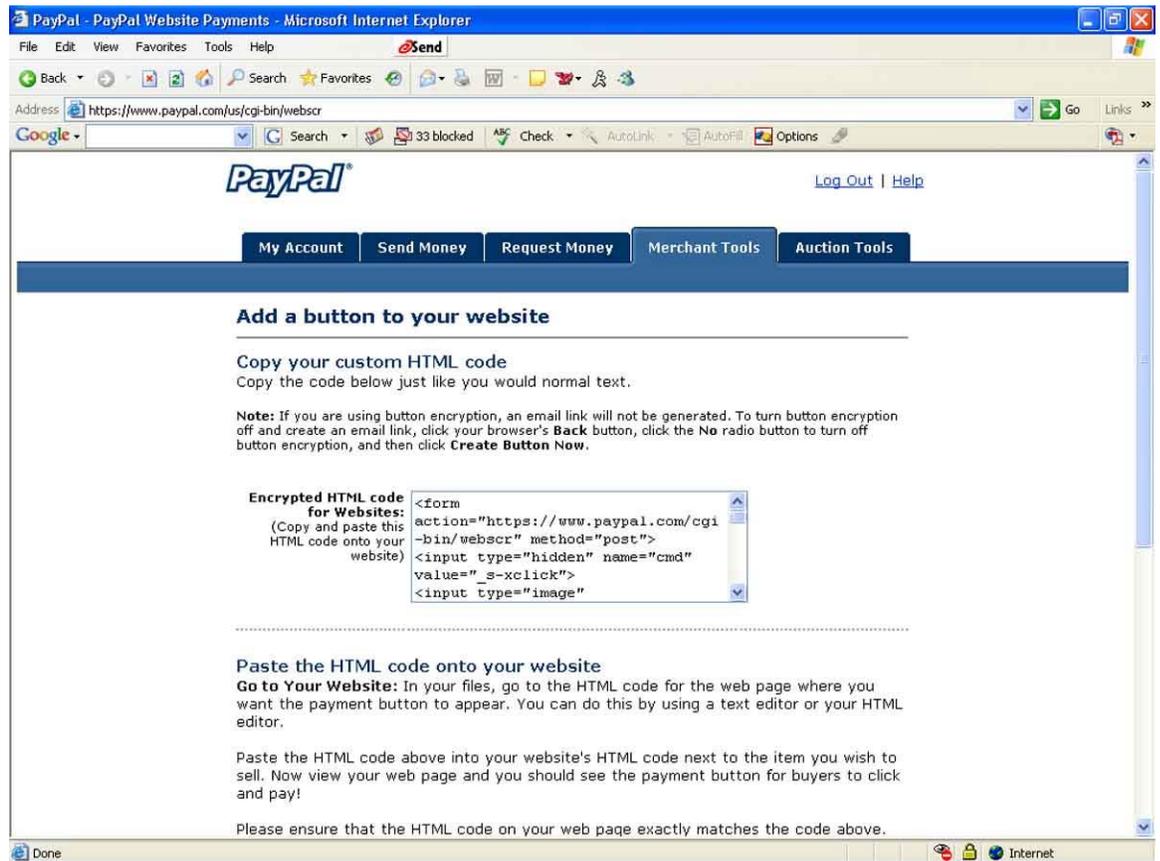
The "Buy Now Button" Copy And Paste Code

Copy the code snippet that appears in the text box, and paste it into your HTML template where you want the button to appear on your website. You can then repeat this process for each of your products, and you will be ready to accept PayPal payments right away.

Other PayPal Features

Whether or not you use Microsoft FrontPage, you can set up subscription or recurring payments through PayPal. Once you

have set up and specified the subscription time frame (daily, weekly, monthly, or even annually), PayPal will automatically send out invoices until the account is cancelled. You can also specify one or two trial periods for each subscription, and set up payment installments that end after a finite number of invoices.

PayPal allows you to generate unique username and password combinations for your website as well. This is useful if you want to create a "members-only" section for added content, special offers and promotions.

Finally, when you accept PayPal payments on your website, you can enroll your online store in the PayPal Shops directory. Once you are enrolled, PayPal members can find your store when they search the directory for specific products or services. Listing your store in PayPal shops is free. However, you are required to have either a Premier or Business PayPal account with at least one linked bank account and one linked credit card.

Payment Gateway Services And Options

As previously discussed, payment gateways generate the code that transmits credit card information from your website to your merchant account service. Basically, it is the digital equipment of a swipe terminal: it allows credit card

information to be processed, and the transaction approved, in real-time.

Different Kinds Of Gateways And Gateway Options

If you have a merchant account, there are two methods you can use to implement a payment gateway on your website. The first is to house the gateway on your server through your ISP, which typically requires software installation. The second is to operate the payment gateway through the merchant account's server, a setup used most often for third party merchant processors.

Each method has advantages and disadvantages. If you house the payment gateway on your own server, you must have security measures in place to encrypt your customers' personal information. Also, if your payment gateway is separate from your shopping cart system or storefront software, you may have to reconfigure your entire website. However, there is an advantage to hosting the payment gateway yourself in that you have direct access to customer information. This makes it easier to manage customers and track things like browsing habits, order history, and charge backs.

If you use a third-party merchant processor and the payment gateway is housed on a separate server, you will not be able

to gain access to customer information. However, you also do not need to worry about site configuration or high-level SSL security encryption, and any problems that arise during the payment process are the responsibility of the third party processor.

You Way The Differences And Make A Decision

There are three ways to obtain a payment gateway for your online business. Each solution provides a different level of service, functionality and customization, and the cost to implement them varies. Before you decide on a payment gateway solution, you should review the available options and decide which will work best for your business.

Do It Yourself

If you have a large Internet business, or your company deals with web development and technical solutions, you can choose to develop a payment gateway yourself (or outsource a technical consultant to develop a custom gateway for you). This solution is obviously the most expensive, and requires the greatest devotion of resources and time. In addition to creation time, custom payment gateways can require months of testing and redevelopment to work out all the "bugs."

However, if your business deals with a high volume of transactions, developing a custom payment gateway can save you quite a bit of money in the long run. Once the system is in place, you will not have to pay processing or transaction fees to a merchant account. Also, in addition to creating a professional and unified appearance for your website, a custom payment gateway allows complete control over your credit card processing. You will not lose business over problems with a merchant account's server, or pay hefty fees for charge backs.

Off The Shelf Software

This solution represents the middle ground in regards to customization and upfront cost. Gateway software is typically associated with traditional merchant accounts. You can install the software and customize it to a greater degree than third party merchant services allow; your customers will not leave your website when they make purchases.

However, you will still have to install and initially integrate the software with your website or shopping cart system. With gateway software, you are also responsible for any transaction errors or software glitches that occur during the ordering process. There are transaction fees associated with this type of system, but they are not as high as those of third party merchant services.

Software solutions, though still requiring some degree of tweaking, take far less time to install and integrate than in-house development solutions. Also, most payment gateway software programs are compatible with a range of shopping cart and storefront solutions.

Outsourcing To A Gateway Provider

There are several advantages to using a third party merchant service and housing the payment gateway on their server. One of the biggest advantages is the ability to have your credit card processing system set up in a matter of hours or days instead of weeks or months.

www.NetBilling.com is an example of a 3rd party gateway billing system.

Also, as a merchant you are not responsible for transaction errors that occur during the ordering process. The development and maintenance of the payment gateway is in the hands of the third party provider. You don't have to integrate the gateway with your website, and you will not need to maintain a secure server.

The disadvantages to a third party payment gateway include higher processing fees and having your customers leave your

website to place orders. Additionally, you do not have access to your customers' financial information so you are in less of a position of control. As well it will take you longer to get your money. It takes 4 days to get your money transferred to your bank account with PayPal.

When you combine the time involved with escrow through a job board such as RentACoder or Elance that transfers your earnings to PayPal and the time to have your money transferred from PayPal to your bank account so you can actually spend it, you can be looking at anywhere from 7 to 14 business days (Not including weekends); whereas with your own merchant account, you normally will have your funds in your bank account in one business to two business days (Not including weekends).

So is it starting to make even more sense as to why you need your own system to accept payments? GOOD! Now I'll discuss why having your own payment system can mean so much to your acquiring and keeping good customers.

Chapter 13:
Getting Potential Clients and Making The Sale

It is time to go fishing. You need to find potential clients. You have to decide what type of client would want your services. Depending on the type of service you offer, location may or may not have any bearing. For instance if you are writing articles for magazines then distance may not be a problem. If you are taking pictures of old buildings in Washington D.C. then location will matter.

Sometimes being close to a potential client may be the thing that lands you a job. Keep that in mind when searching for a pool of potential clients.

Besides Job Boards, Where Can You Find Prospects?

Where can you look for these potential clients? The phone book is a good place to start. If you are looking for local business contacts that may use your area of expertise, finding them in the yellow pages may produce some leads. There may be directories of professional organizations where you can find potential customers.

Other places to look are trade publications. Many of those publications contain lists of people that could be potential clients. You might also check and see what is happening in

your particular area of interest. This can spark new ideas. It can also let you know what the latest trends are and the markets that are popular.

There are also companies that sell lists of names and addresses according to the criteria you give them. It can be expensive but may have a potentially high return.

Contacting Prospective Clients

What do you do now that you have your lists of potential clients? How do you reach them? One way is to call them. In certain freelance situations this can be a personal way to make contacts. You can also send them a letter in the mail. This is a relatively inexpensive way to generate clients and it can have good returns. You could also pay for advertising, but just starting off this way can be costly. If your business grows larger and generates greater revenue, this may become a viable option.

There are different types of advertising. General advertising can reach a large audience but it is not necessarily always a target audience. If you want to reach a more specific audience you can run an advertisement in the classified sections of trade magazines. This is a more cost effective form of advertising rather than running big page advertisements.

Often, if you run classified advertisements for a long period of time, you will get a discounted rate.

Sending mail directly to potential clients is specific and cost effective. You decide how your marketing dollars are directed which is straight at the companies that have the greatest potential for utilizing your skills. The larger the list of targets you have the greater the chance of success.

In order for direct mailing to work in marketing yourself you have to send out large numbers of direct mailings if you hope to get a response. On average, you might have a 1% to 2% response. That means you might get one customer out of about one hundred mailings. Direct mailings are not as effective as other forms of advertisements.

Once you have your target list, what should you send them? Well, you might only want to send a letter to those clients who are good possibilities but are not at the top of your list. Those at the top of list should get your resume, a business card and a cover letter. If you haven't bought business cards do so before you market yourself. You want a convenient way for your potential client to have your information readily accessible for any job that needs the skills you possess.

Your cover letter should be dynamic and attention getting. Don't send a boring pleading letter, hoping they will care. Send them a life line. Send them a letter that will make them

sit up and take notice. Make yourself wanted as well as needed. The letter should clearly state the services you have to offer and why you are different from every other freelancer. Make sure that the person reading the cover letter knows why they should call you and hire you right away.

Phone Prospecting May Not Be Your Cup Of Tea

The next marketing strategy you can utilize is the telephone inquiry. These personal phone calls take finesse and planning. Not many people like sales calls. A strategy may be to send direct mailings to potential clients first and let them know you will be calling them. After a few days you can call the potential clients as a follow-up to the dynamic letter and resume you sent them. It acts as a prompt for a busy executive. Cold calling does not usually work as well as this type of strategy does.

There are more direct strategies that can be used to obtain new clients. One is networking. You can do this by doing some more research and finding out if there are any local organizations you can join in order to meet people to network with. The important thing is to make sure the group is a target group. You would not join a gardening group if you were doing computer graphics. While you may be lucky enough to find a potential client, it is not likely. A group of other computer

artists or businesses that could use your services would be a much more valuable use of your time and marketing efforts.

Trade Shows, Conventions, Special Events

Another situation to look for is any special events or seminars that target clients may be attending. For instance if you were that computer graphics freelancer you might want to set up a table at a computer seminar or sale.

Public relations campaigns are another way you can generate business. Again, do your research. Find an interesting way that magazines or newspapers might print an article featuring you that could generate business. This may be more difficult then the other marketing strategies suggested but if you can pitch it the right way the returns can be high and profitable.

Agencies do exist that you can pay to do your marketing. Beware. They can be very expensive. They usually take a percentage of your contract as their fee. It can be very sizable in some situations. You don't want to work for free. So be careful if you use them as your main strategy for generating new business.

Now let's now look at the possibilities for marketing online. The great part of online marketing is that it is often low cost

and reaches a wide audience of potential customers worldwide.

Let's look again at the Job Board list:

Allfreelance.com

Aquent.com

Elance.com

Craigslist.org

(Do NOT Understimate the potential for Craigs List. I have picked up some excellent jobs there and you can find local project requests.)

RentACoder.com

Ifreelance.com

Bullhorn.com

Centralmall.com

Consultingexchange.com

Contentexchange.com

Ework.com

freelanceworkexchange.com

Freelancejobsearch

Guru.com

Monster.com

Sologig.com

Most of these are freelance exchanges. These sites connect potential clients with freelancers. There are a couple of ways these sites can help you. First, clients can browse freelancer

information and decide which ones to choose based on the projects they offer. Or, the clients can post projects for freelancers to bid on. Again, be careful. If a project is popular, the bids can be lower because of the number of people bidding.

Be selective and try to specialize in certain areas. This will bring you clients as well as keeping your prices where they need to be.

Here are some more sites to add to the previous list:

Vault.com

Jobsonline.com

Flipdog.com

Hotjobs.com

These sites are similar to Monster.com. These are job posting boards. They are the online equivalent of a giant cork board where clients can post jobs and job seekers can inquire about them. Some of these are full time jobs but some are freelance jobs. Just be very specific in what you type in the search engine on these sites. There are other sites you can find. You just need to search using a web search engine such as Google.com.

Let's Talk A Little More About Your Website

 What? No Website? Well, let's fix that now. You need to put yourself out there. A website is the greatest way to do this. There are a couple of options that will help you learn what to do to set up your own website.

There are sites that can create a website for you. Two of them are:

www.sitebuildit.com
www.homestead.com

There are many others out there. You do want a website in which you create the domain name on your own. One is www.freelancegenius.com. At www.DomainAbbey.com you can register a domain name for $7.

Most hosting agencies charge a fee to host your site. They offer different packages at different rates. To create a site using these agencies is relatively simple. If you are more computer savvy, you can create your own site from scratch. This does take time and you will still need to find a host for your site.

We will continue now as if you have your site set up and running. People search the internet for information in much the same way as we use the Yellow Pages. On the internet

there are search engines that can be used to find sites that match the criteria you are looking for. There are a wide variety of search engines. The major sites are multi use sites like Yahoo. There are search sites that use what are called crawler engines such as Google and AltaVista that browse through thousands of websites searching for the key terms you have chosen. And finally there are engines that charge you per search such as miva.com.

You may be wondering how to get your web page a good ranking on these sites. A good ranking will ensure your site is found when a person is searching on these various engines. There are sites that can help you get the high rankings you need. Below are two of those sites:.

Selfpromotion.com

Searchenginewatch.com

These sites will explain how to get a better ranking. In some situations you may have to pay an annual fee to get a better and more instant listing on various search engines.

You now have the tools for a bulletproof marketing strategy. The most important thing to remember is that marketing your services is essential to your success as a freelancer. It takes time and in some cases a small investment. The investment is in your best interest if you want to become a successful freelancer.

Chapter 14:
Cover Your Assets And Your Customers

In this chapter, you will learn how to protect your PC and your online business from security threats and fraud associated with accepting credit cards online.

Your Customers Will Expect Secure Transactions

The Internet: Open to everyone

When you accept credit cards for your business, it is more important than ever to make sure your business computer (or computers) are protected from viruses, hackers, and information thieves—particularly if you store your customers' financial information on your hard drive.

One of the issues with online security involves your customers. Many people are still reluctant to buy over the Internet because they are afraid their personal information won't stay personal. Some companies have perpetuated this fear by giving away or selling customer information, despite guarantees on their website claiming they didn't engage in sharing information. As a result, e-commerce merchants have to work that much harder to gain public trust.

The most successful online businesses are those that concern themselves with security issues and take extra steps to

protect their customers' personal information. Encryption is one of the main defenses against data and information abuse. This process converts data into a cipher (code) that can only be read by the company or program that maintains the encrypted website. The downside to encryption is that high levels of this type of security are expensive, and not all Internet businesses can afford the necessary technology.

As an online merchant, you not only must provide a guarantee or disclaimer on your website promising not to divulge your customers' personal information, you must abide by that promise completely. Few Internet consumers will make a purchase unless they see the padlock symbol in the bottom right-hand corner of the screen on the order page, indicating the website is secure.

Encryption is not the only factor in building trust with online customers. Branding can represent another barrier to consumer trust. While most Internet buyers won't hesitate to purchase from Amazon, eBay, or other well-known websites, the majority of e-commerce merchants are small or medium-sized businesses whose names are not well known. This makes consumers cautious when deciding whether to purchase from them.

Another factor is the lack of traditional "cues" present in brick-and-mortar stores, which makes business websites subject to a more intense level of buyer scrutiny. Misspelled

words, poor grammar, missing guarantees, or reports of customer complaints (true or imagined) can doom an online store to failure, even if the merchant is actually offering quality products and services.

Safeguarding Your Customers Information

Safeguarding your customers' personal information is of the utmost importance. Outside of encryption, there are several things you can do to protect the data that is transmitted through your website and ensure against theft, viruses and other cyber-threats.

A Firewall Doesn't Protect Against Viruses

Since your business is primarily located on your PC, you must take steps to protect your hard drive from viruses and other corrupting software. One of the best ways to do this is through anti-virus and firewall protection.

Anti-virus software

If your computer does not have anti-virus software, you are vulnerable to a number of computer viruses. These can include:

- Infected e-mail attachments
- "Drive-by" infections from corrupt websites

- Worms (viruses that attack over the Internet)
- Spyware (virally transmitted programs that harvest personal information)
- Viruses spread through macros in application documents

The consequences of a computer virus vary according to the corrupt program. Your computer's operation may be slowed, sometimes to the point where you can no longer use it. You may lose some or all of your data. Also, if your personal information or the information of your customers is accessed, you may have to deal with fraud or identity theft.

Anti-virus software helps to keep dangerous viruses away from your computer's hard drive by covering the main lines of attack. The software scans incoming e-mails for attached viruses, and monitors files as they are opened to guard against infection. Anti-virus software also performs periodic scans of all the files on your hard drive.

However, there are some things anti-virus software cannot protect against. These include:

- Programs you choose to install that may contain unwanted features (most anti-virus software will warn you if you are about to install potentially unsafe software)
- Most spyware and spam

- Hacker attacks carried out over the Internet
- Viruses for which the program has no signature

Regular updates of your anti-virus software will help to ensure that the signatures (parts of known viruses the software looks for) are kept current and up to date. Each time a new virus is discovered, virus security firms analyze the infected program and create a signature file that allows the anti-virus software to detect and block it.

There are several factors you should consider in choosing anti-virus software for your computer. You should base your decision on the needs of your business as well as the price you can afford.

Standalone or security suite: You can purchase a standalone anti-virus program that only scans for viruses. Most of these software programs can be updated over the Internet when new viruses appear. Another option is to purchase a security suite, which includes other protective software such as firewalls, spam filtering and anti-spyware components. Standalone programs cost around $20, while full suites can range from $50 to $100 or more.

The advantages of purchasing a security suite are obvious: they afford more protection and provide a single program for all security solutions. They are usually faster to install.

There are also some drawbacks to buying a suite, which are not so obvious. Other than the higher cost, the elements outside of the anti-virus component are sometimes lower quality than other available firewall, spam and spyware programs. Also, many of the additional components are available for free.

Free or commercial: There are a number of anti-virus products available for free download on the Internet. These include freeware, shareware, and free trial versions of big-name anti-virus software such as Norton and McAfee. Many software providers offer free versions as an enticement for an eventual upgrade.

While the price is an obvious benefit (you can't beat free!), there are drawbacks to free anti-virus software. Most free programs have reduced functionality and are not as effective as commercial versions. Also, there is often little or no technical support if you experience problems installing or using the software.

When you purchase or obtain anti-virus software, you can either download it from a website or order an installation CD. If you plan to invest money in a commercial anti-virus program, it is often beneficial to buy a CD. That way, if you are unable to get online for any reason or if you purchase a new computer, you can easily re-install the software.

Commercial anti-virus software providers include:

F-Secure: www.f-secure.com
McAfee: www.mcafee.com
Symantec (providers of Norton Anti-Virus):
www.symantec.com
Trend Micro: www.trendmicro.com

Some providers of free anti-virus software include:

Grisoft AVG Anti-Virus: http://free.grisoft.com
AniVir: www.free-av.com
ALWIL Avast: www.avast.com
ClamWin: http://clamwin.com

Outside of installing anti-virus software, there are several things you can do to decrease your chances of virus infection:

- Never open any files attached to an e-mail from an unknown or suspicious source, no matter how interesting it may seem
- Turn on macro protection in applications such as Microsoft Word and Excel
- Use only one anti-virus program at a time
- Update your anti-virus software regularly to receive new signature information
- If you use the anti-virus software that came with your computer, it is likely a free trial version. Don't forget to update or replace the software once it expires.

Firewalls

A Firewall Will Keep The Bad Guys Out

Firewalls protect your computer from a variety of threats. They can prevent hackers from breaking in to your hard drive and block some worms that anti-virus software cannot stop. Firewalls can also block outgoing traffic from your computer that may contain a virus infection.

However, there are some things firewalls cannot do. A firewall acts as a barrier between the public space of the Internet and your private computer system. Strong firewalls will not only block unwanted information, but can sometimes refuse to accept data you are attempting to obtain.

A firewall acts as your first line of defense against viruses and infections. However, there are still many ways your computer may be vulnerable even with a firewall application. Firewalls do not prevent spam, spyware, and some viruses. Other ways a firewall can be vulnerable include:

- Infections from computers you have given permission to access yours
- Hackers who obtain passwords for your firewall
- People with physical access to your computer
- Firewalls that are either disabled or contain multiple exceptions or open ports

- Malicious traffic that doesn't travel through the firewall, such as wireless network transmissions
- Traffic that appears to be legitimate

Some ISPs will provide firewall protection through your website. However, it is best to assume your ISP does not provide firewall protection, and make sure your computer is protected yourself.

There are several different types of firewalls available.

- Desktop firewalls, also known as software firewalls, are installed on computers connected to the Internet to monitor and block Internet traffic.
- The Windows firewall is a basic firewall that comes bundled with Microsoft Windows XP. This provides a decent degree of protection, but can be replaced with a commercial desktop firewall or supplemented with a hardware firewall.
- Hardware firewalls are usually built in to broadband internet routers (cable or DSL modems). Hardware firewalls are built to protect several computers sharing the same Internet connection. They can be a bit more difficult to configure than software firewalls, but provide a good degree of protection.

Commercial desktop firewalls generally provide sufficient protection for both desktop and wireless (notebook or laptop) computers. Zone Labs ZoneAlarm provides free firewall software for personal use, as well as a low-cost commercial version.

You can test your computer to see if your firewall is working by visiting one of these websites:
[Symantec Security Check](#)

ShieldsUP!: http://grc.com

Making Data Backup Automatic Or Habitual

In addition to installing security software, you should regularly back up the files and data stored on your computer. Anti-virus and firewall software are excellent for protecting a working computer, but they are useless in cases of accidental deletion, hardware failure, damage caused by a security breach, floods, fire, or other physical disasters.

Regular data backups also protect your valuable data against physical theft (especially in the case of laptops) and catastrophic virus or spyware infections that may force you to wipe your hard drive and reinstall everything.

Here are some tips for backing up your data:

- Plan for the worst: imagine the worst possible thing that could happen to your computer data, and protect

against that

- Keep essential data in a single folder for fast backup

- Create backup files for all of the information on your computer except programs or operating systems for which you have the original disks

- Occasionally erase and restore some non-essential data to test your backup system

- Store a set of backup data outside of your home or office in case of theft or natural disasters
- Protect backups with encryption or password

- Do not store your backup files with your PC

The best back up system you can have is an external hard drive you can set up automated back ups with, such as this drive:

One Touch Maxtor Backup (Google it to find the best price.)

However, there are several other ways to create backup files. If you use a rewritable file system such as a Zip disk or thumb drive, it is a good practice to keep three sets of data: the latest backup, and the two preceding it.

Some software will allow you to create a one-time full backup, which creates a copy of the program data for installation on other PCs or simply for your files. If you purchase software that allows backup creation, this should be your first step after you install the program.

You can also create backups using an external hard disk, floppy disks, or rewritable CDs. When choosing a backup method, you should first calculate the file size and make sure there is enough room on the device you're using to create the backup files. You can discover the file size by right-clicking on the file name in a viewing window such as the My Documents folder.

In addition to removable devices, you can use backup software to create spare files. Microsoft Backup is included in all versions of Windows XP, ME and 98.

Encrypting Your Data

Encryption is an excellent method of securing data on your computer, though it can be somewhat expensive depending on the programs and methods you use to encrypt your data.

What Is Data Encryption?

Encryption is the process of convering information into a code that cannot be understood or interpreted by anyone who is

not authorized to view the date. You can encrypt e-mails, files, or even your entire hard disk. In the case of e-mails, encryption also allows you to validate the sender of the message and determine whether it has been tampered with en route.

Encryption processes are also used to protect e-commerce websites, wireless networks, and remote access (to prevent eavesdropping and spoofing, a fraudulent e-mail practice used by phishers and pharmers).

There are many different techniques for encryption. The higher the encryption level, the more difficult it is for hackers and cyber-criminals to break the code using a remote computer. Encryption levels are measured in bits. 64-bit encryption represents the general security standard for most non-commerce websites, while secure servers most often employ 128-bit encryption.

Types Of Files You Can Encrypt

Encrypting e-mails and files takes some time, and can prove technically demanding for many casual computer users. Most commercial encryption products come with extensive technical support and easy-to-understand user interfaces. There are free (open source) encryption products available, but most of them require a high degree of technical knowledge. However, if you are accepting credit cards

through your website's server, encryption is a requirement if you expect anyone to make purchases.

Email Encryption: There are several products available that will allow you to encypt e-mails. These vary from secure e-mail systems for individual users to wide-scale public key infrastructure systems that are suitable for multi-national corporations. A few of the options for e-mail encryption programs include:

- SecureZIP: www.pkware.com
- PGP Desktop: www.pgp.com
- ZixMail: www.zixcorp.com/esecure/zixmail.php

These products work with non-web based e-mail programs such as Microsoft Outlook and Eudora.

MicroSoft File Encryption System: If your computer runs on Microsoft Windows XP Professional, you already have an Encrypting File System option. The system requires some technical knowledge and may take some time to learn, but it is quite simple to operate once it's in place.

You can also purchase software for specific encryption tasks or for older operating system. This software is generally easy to use and well worth the investment. Some examples of available encryption software include:

- DESlock: www.deslock.com
- SecureZIP: www.pkware.com
- PGP Desktop: www.pgp.com
- TrueCrypt: www.truecrypt.org

Protecting Your Business From Fraud

Your customers are not the only ones who need protection from the scavengers of the Internet. You must also take steps to protect your business from scammers and other forms of abuse.

You may think fraud happens only in large corporations, but even small businesses are susceptible to online and credit card fraud. Scammers, hackers, and identity thieves do not differentiate between rich and not-so-rich—to them, money is money. When you operate an online business and accept credit cards, you must take steps to ensure against theft and fraud.

There are two common ways hackers perpetrate online fraud against businesses. They are:

- Account takeover fraud: A scammer will attempt to gain access to and use your existing credit account information. In this case, the fraudulent transactions

will appear on your credit card bill, online banking account records, or mailed account statements, making it fairly easy to detect.

- True name (identity) fraud: This occurs when scammers obtain your social security number or other personal information, and then use it to open accounts in your name. This type of fraud is more difficult to detect, as the fraudulent account statements and bills are delivered to the scammer instead of you.

- Spoofing and phishing are the most common ways scammers gain access to personal or financial information. *Spoofing* entails creating fake websites that imitate legitimate businesses, financial institutions or e-commerce companies. PayPal and Amazon are two businesses that are commonly spoofed. This practice is then followed up with *phishing*. Scammers send forged or fraudulent e-mails with urgent subject lines designed to make the recipient panic and visit the spoofed website. Once there, they are prompted to enter personal information such as social security numbers, account numbers, and passwords. The scammers then use this information to access the victim's actual account.

There are several steps you can take to safeguard your business from scammers. These include:

- Installing spam filters and pop-up blockers to cut down on the amount of unsolicited traffic that enters your website. This can limit your exposure to fraudulent Internet practices.

- Thoroughly investigate your financial services provider or credit card processing service before you sign up with one. Most credit card processing services claim a strong commitment to account security, but in practice few make the effort to keep up with the latest steps in fraud prevention. Your financial service provider should use two-way, two factor authentication for all transactions. In this method, you must be authenticated each time you attempt to gain access to your account, and you should receive a unique welcome message or security image that notifies you of the website's authenticity.

- Educate yourself on the latest fraudulent activities. Search the Internet regularly for articles and resources about online security, or subscribe to feeds or newsletters from scam watch websites so you can be informed early about new scamming techniques to beware of online.

Customer fraud

You should also take steps to protect your business from customer abuse. The reality of online commerce is that it eliminates face-to-face contact. This can lead some people to take liberties with online commerce and exhibit a level of rudeness or lack of regard for rules and policies they would not otherwise exhibit in a traditional merchant setting.

Here are some tips on minimizing customer abuse:

- Write a clear return policy and make sure it is visible on your website to prevent flagrant disregard of returns
- Spell out in a disclaimer on your order page that by clicking "Submit," the customer agrees to be responsible for the charges listed on the order (this does not prevent chargeback requests, but it does ensure against ridiculous claims such as "I never agreed to purchase this product.")
- Collect both shipping and billing addresses from your customers. If the customer is a victim of credit card fraud, this information will assist the credit card company in tracking down the source of the fraud.
- Use a national shipping company that provides tracking numbers and online delivery confirmation to avoid customer claims that they did not receive their order,
- Check credit card numbers against websites such as the Chargeback Bureau (http://chargebackbureau.org) to

discover credit card numbers that are frequently involved in credit card fraud.

- If your budget allows for it, invest in a third-party service to assist in your billing practices
- Contact your merchant service in regards to any charge that seems suspicious and ask them to help you verify the address and account number through their system
- Keep in mind that excessive chargebacks can cause your merchant account to be cancelled, and plan accordingly

Whether by accident or design, abusive customers can cause a great deal of damage to your business. As with a traditional storefront, you can always refuse to do business with a particularly troublesome customer. You have the right to protect your own business, and no amount of customer abuse is worth the money you may make when compared to the time and effort it will likely cause you to repair the damage.

Chapter 15:
Turning Clients into Residual Income

In the previous chapters we discussed marketing. Then we talked about how to hook those potential customers in order to make them sales. Now, how do you continue to get work without dumping all of your money into marketing? Is there free marketing available? Are there customers ready to offer you jobs without you asking them first?

The answer to these questions is yes. These amazing customers are your current customers. They are the customers you have already made into sales and who know your skills. Now it is time to make them long term clients.

Why is it so important to keep long term clients? Because not only will they continue to use you, they will refer you to others as well. Constant referrals will continue to give you consistent income. It costs a lot more to acquire new clients then it does to get jobs from existing clients. In fact, it costs more than five times as much to acquire a new customer than it does getting work from an already established client.

While your first job may not have paid as much as you may have wanted, it is the future returns you have to look at. Usually the first job is small and is used to test your skills. Once that is completed and the client trusts you, then the free marketing begins. They become a repeat customer. As you do more jobs for them, your pay will increase and the jobs will become steady. The cost of your initial investment in marketing will be paid many times over. And we are only talking about one customer. You can see the returns multiplied by every long term customer you acquire.

How do you keep clients coming back to you time and time again? Good customer service is the key to long term business relationships.

What is involved in providing good customer service? Part of it is being sensitive and understanding your customer's needs. The points you earn by making a good first impression apply to overall customer service. Use those ten commandments of human relations:

Along with these 10, there is an additional new commandment:

- Deliver what you promise. Meet your deadline for the price you agreed upon.

This means that you do not promise more then you can deliver. Make sure that you agree on realistic terms. The client may have need for a project to be done quickly. If you can not meet the deadline, then do not agree to it. If you fail to meet a deadline then you can damage the potential for future work from that client.

Always go that extra mile. Give them more than they bargained for and they will come back again and again. You can not overdo customer service.

Below I have listed some tips that will always work to continue to ensure your growth and your ability to be marketable. They are:

- Education
- Information dissemination
- Follow up

- Follow through
- Ordering new projects easily

Remember in the last chapter you learned about empathy. That is putting your self in your customer's position. Below are some tips on how to be empathetic:

- Anticipate your client's needs. That means proactively taking care of any problems that may arise in the completion of a project.

- Be available to your customer. Give them your home and cell phone number so they can contact you quickly. Your client will feel safer knowing you are reachable if they should have a problem arise. Your availability will give your client peace of mind.

- Back up your work by being available to make changes or revisions to a project. It can be frustrating to a client if they can not reach you. It is even more frustrating if you delay getting a revised project back to them right away. The solution is to set aside a specific amount of time after a project is completed to make revisions. Again, this is proactive rather than reactive.

- Provide great service. You are investing in your future because repeat long term customers mean more money

and less expended energy then trying to obtain new ones.

- Foster strong open communication. Poor communication can absolutely destroy a business relationship. Remember in the prior chapter where you were meeting that customer for the first time? That is when you began your communication with the customer. Continuing that open strong and professional communication is essential in maintaining the relationship you build with a customer.

- Never promise more than you can deliver. Be sure both your customer and you are clear about all aspects of the project. Be sure your client knows how long it will take you and what your price will be.

- Be clear about what you can and cannot do for them. If there are parts of the project that you can not complete in the time given or if you just do not have the skills to accurately complete a task then make sure you tell your client this.

- Be clear on the details concerning delivery of the project. Details such as when a project will be completed, where it will be sent, and in what form it will

be sent, are all important aspects that need to be made clear.

- Keep your client updated on the project. Don't let them sit and bite their fingernails worrying about how the project is doing or whether it will be completed by the agreed upon date.

- Have deadline issues resolved before you even start the project. Don't wait until the last minute. Remember be proactive, not reactive. Your client will appreciate you for it.

Remember, even the best laid plans can hit a glitch. What if your computer crashes? What do you do? Problems will inevitably arise. A lot of problems can be avoided by taking care of them before you begin. There are situations in which your client will not be happy. It is very important to try to do the best you can to resolve them and keep your client happy. If you don't, it can cost you. Not only can you lose your payment for the current project, but it can destroy the potential for a future relationship.

If A Problem Arises

What should you do if a problem arises? Well first let your client know what has happened right away. Take ownership of the problem. The next step is to allow your client to express

their feelings. Make sure they feel heard. Use more of that active empathetic listening.

Once they have completely expressed how they feel about it, then work on a solution. If you can resolve the issue then you can save the job and save the long term relationship. If not, you can lose a lot of future revenue. If you show your client that you can solve potential problems then you can impress them enough to instill confidence so that you can have a long term relationship. Remember every problem is a learning opportunity. It is also an avenue for future success.

Don't Forget To Ask For Referrals Every Time

There is something else that a long term customer can provide you. Referrals. Referrals are golden tickets. They are your free marketing. They are bringing you new customers. More than that, the professional opinion of a former client can go a long way in helping you consistently procure new work. Their reputation increases your reputation.

Recommendations are something you should request from your customers. If a customer is really satisfied with your work, you can ask them if they have any colleagues who they could refer you to. Give them extra business cards they can pass out to those colleagues. If you do get a referral, be sure

to thank your client for it. A little card or quick email can ensure future referrals.

Remember that long term customers are your bread and butter. They provide you with regular work and are more profitable then finding new clients through marketing campaigns. Take care of your clients and they will take care of you.

Chapter 16: The Numbers Side Of Your Business

Let's review where we are. You have learned how to attract clients. You have been able to turn potential clients into sales. Then you learned how to turn those sales into long term prospects. Now you are going to learn about the financial aspects of your business.

What is profit? It's quite simple to figure out. First you determine what you are going to charge an hour. Then you multiply that price by the number of hours you intend to work. The result is your gross profit. Now you have to subtract any costs incurred by your business. What is left is your net profit. This is the amount you have in the bank.

So how can you increase your income? Let's look at each part of your profit formula. First is your hourly rate. If you increase your rate your profit will be higher. Let's look at an example. Let's say you worked on a project that you billed $20.00 an hour for. Now, let's say you worked on it for 30 hours. Then let's subtract some materials you needed to complete the project. Let's say for simplicity you spent $20.00.

Your gross sales would look like this:

$20 per hour x 30 hours of work = $600 gross profit

Now subtract the costs

$600 gross profit - $20 in expenses = $580.00 net profit

Not bad.

Now let's increase your hourly rate to $30.

$30 per hour x 30 hours of work = $900.00 gross - $20.00 in expenses = $880

Wow that is $300 more dollars a week. Over a year your increased profit, assuming you worked the same amount of hours each month, would be $15,600. Who would not want $15,000 more dollars. That is only an increase of $10.00 an hour.
Now let's increase the number of hours to 40 hours.

$30 per hour x 40 hours of work = $1,200 gross profit - $20.00 in expenses = $1,180 net profit

The increase in 10 hours would mean $300.00 a week more. Annually that would mean another extra $15,600. That would be a total net yearly income of $61,360.00. Not a bad income for someone working in their pajamas.

Don't be afraid to charge what you are worth. You can look around and see what other competitors are charging to get a ballpark figure. DON'T undercharge. You present an image of

someone who will work cheap. Guess what? You will be paid what you charge and clients will assume your low rate is just that, low. They may also think that you are not up to the quality of person they are seeking if you don't charge enough. Don't expect to be able to increase your rates later. Charge what you are worth up front. Your clients want quality. If you charge a decent rate and provide quality work, then clients will pay your set rates.

Make sure you are not giving away billable time. Charge fairly for the time you work. While it may take time initially to hook potential clients, that time is a future investment. Be a good time keeper and have accurate records of the time you are working.

Spend some time everyday writing down the time you spent on the project and what you were doing during that time. That way, when you submit a bill it will be accurate. You will be able to track wasted time and become more efficient. And most importantly, you will be able to accurately report to your clients exactly what they are paying for if you need to. Remember the old saying: "Time is money." This is especially important for a freelancer to understand.

Be careful how you spend money. While it may seem that the money flow will never stop, set money aside. Don't make impulsive purchases. You may need the money for dry spells.

If you spend a lot of money in your business expenses category, it can affect your net worth.

Remember our formula?

Hourly rate x number of hours you worked – expenses = net profit

The costs can pull down your profit as easily as not charging enough or giving away hours.

Cash in hand is worth something. An invoice for a project is not. You want your money in YOUR account as soon as possible. That is one of the biggest reasons to have your own system in place to take multiple forms of payment.

Cash Flow Will Always Be King

Make sure you have cash in hand before you count it into your budget. Problems have always arisen when companies spend more than they have. Don't make that mistake. Make sure you stay on top of your receipts and your payment schedule. **Cash flow is all important!**

When you develop a contract for a project include when you expect to be paid. When a payment schedule is agreed on up front, there is less confusion at the end of the project. This goes back to the open clear communication rule.

Don't spend more than you have and always set money aside for dry spells. The possibility of your biggest client going bankrupt is not likely to happen but if it does you want to be monetarily prepared for that. Remember to review your business plan costs, hours, and rates on a regular basis. Look to see if you need to make any adjustments. If you are not making what you want and the plan is not working, then start over and decide what you need to do to keep your business alive and flowing.

The best way to increase your income without making extra work or cutting too many costs is to increase your rates. It costs nothing to increase your rate and the amount of hours you are working does not have to increase.

Set a goal for how much money you want to make each week. Then decide how many hours you want to work. When you divide these two numbers you have your hourly rate. Remember to have realistic expectations. Here are some ways you can achieve a reasonable rate and still make what you want.

Always Be Checking Out The Market And Competition

Earlier I mentioned research. Look around the market online and see what others are charging for the same type of work you do. Develop a range of prices. If you charge on the lower

end you may get more jobs but you will be working more hours to achieve your profit goal. On the other hand, if you charge toward the higher end, you will have a higher profit with a fewer number of jobs. Remember, time is money. If you can work less hours and make more money why wouldn't you?

Cost Plus Pricing

Another approach is what is called cost plus pricing. In this method you determine how much it will cost to produce a product. You then divide your profit margin by the number of products. This will give you the profit margin for each product. You then add your profit margin to the cost and you have your rate. In the case of a freelancer your products are hours. Let us look at an example:

Let's say it costs you $3.00 an hour to produce web designs. This can be based on internet time, software costs etc.. Next let's say you want to make $1200 a week and that you only want to work 30 hours a week.

$1200 per week/30 hours worked = $40 per hour

Now add your profit margin to adjust the cost and you have an hourly rate of $43 an hour. You still may want to see if it is in the range of other providers. You may need to adjust your

profit margin or number of hours. You could also see if you can reduce your hourly costs.

The other type of pricing is value-based pricing. You are basing your rate on what you have to offer. You would be offering a return of profit in their investment. This approach states that if a client uses you, your product will turn them a profit. This way may be harder to calculate but may be profitable depending on what type of freelancing you are doing.

Try to have a fixed price strategy. This means your rate does not vary from client to client and project to project. You will be able to calculate your profits easier and make the maximum profit. Remember to charge what you are worth.

Have you ever considered being a consultant? It is somewhat different than working jobs on a per contract basis. A consultant does more and is more involved in a business. They make decisions and offer professional suggestions to that business. The best part is that freelancers can earn a lot more consulting than they can on a per contract basis. Being a consultant, however, may require that you obtain more specialized skills.

In an earlier chapter we talked about how education and specialization is important. It can also earn you a lot more money. Consider that the more jobs you do, the more your

experience and skills will increase. With a combination of increased experience and increased education and enhancement in skills, you can easily justify having higher rates than your competitors.

Give Yourself A Raise

One other way you can increase your profit is to consider that once you have established yourself with a particular client, it may be worth it to them to increase your pay. It is a lot less risky for a client to use someone that they know and trust than to try out a new freelancer each time they have a new job. That is why it is so important to always meet your deadlines, keep open communication, and have a commitment to excellence in your work. Cutting corners or missing deadlines is a sure formula for lost profits and lost clients.

When you take care of your clients, your profits will rise accordingly. If you have a solid list of steady clients you can be discriminating about the projects you want to do. You can pick those you want and easily decline those that you don't. It is all about good communication and customer service. If you provide a good product and good service, your clients will seek you out rather than you having to find them.

At some point though, you will have to raise your rates. Why? The cost of living is always on the increase. With it, the cost to

maintain your business will also rise. If you do not raise your profit margin, those costs will eventually eat up your profit.

Larger companies and businesses give their employees a cost of living increase yearly. This is different then a merit bonus that is usually tied to performance, increase in skills, and productivity. You need to give yourself both of these types of raises. They will be reflected in your rates. So you might want to plan to split them into a raise in rates one or two times each year.

This can be scary. What if a client refuses to pay and goes to another company that is cheaper? More often than not they won't. The reason is that it will cost them time and money to start to work with a new provider. There is no guarantee that a new freelancer will be as good or provide the excellent service that you are working so hard to provide.

So how do you increase your rates? Look back to the way you set your original rates. Do your research. Figure out how much it is costing you now compared to a year ago to produce the same product. Add on how much you want to make in profit and you have just given yourself a cost of living raise.

Research and find out how much someone is making with similar credentials to those you have now acquired. The difference in pay is your merit raise.

Once you have figured out your new rate you need to notify your clients. Send them a pleasant letter explaining why you are increasing your fees. Most clients will understand and pay it without any difficulty.

Chapter 17:
Increasing Productivity While Increasing Profits

Remember the adage "time is money." In the case of a freelancer, this is especially true. You want the hours to work for you, rather than being a slave to the trade and giving up all of your free time. You wanted to become a freelancer so that you could set your own hours and be your own boss. There is no sense in spending every waking minute working. The best way to make those billable hours work for you is to increase and maximize your productivity.

Time can be your friend or enemy. Time keeps moving whether we are maximizing it or not. The thing about time is that there is only so much of it. When time runs out, that's all there is. So let's look at using your time wisely and effectively. If you lose billable hours the cost will add up over time. The loss can add up to thousands of dollars. Who wants to give that kind of revenue away?

Time Management

Managing time, for the most part, is an acquired skill, not an inborn one. It takes work and concentration to make time work for you. You can hone this skill through practice and diligence. Remember it's worth a lot of money if you do. So, if you need motivation just calculate how much money you can make if you add 5 hours a week of billable time. Let's say you are charging $60.00 an hour. That would be $15,600 a year. Post that somewhere next to where you work. Put a note about how much money you are losing by not efficiently making use of your time.

Your Time Is Extremely Valuable

How do you learn to use you time wisely? One of the first steps is to figure out when you are the most productive. There are some people who are morning people and some who do better at night. The beauty of freelancing is that you get to decide. Whichever you decide, make sure that you set aside this time and that there won't be any interruptions. Remember your time is valuable.

It is hard to get back to what you were doing if you have a lot of interruptions. Interruptions take away from your time at your craft. If you need to, put a sign up letting other people at home know that you are working and that they should not disturb you unless it is an absolute emergency.

When you begin to work have a strategy in mind. Write down a schedule of what you want to accomplish. Make sure it is a reasonable list for the time you have allotted yourself. Time will not magically extend itself to fit what you have scheduled.

Make sure you have an organized space where you can work comfortably. Have a table set up for paper work that you may need.

You may need this table to lay out what you are writing for a particular job. Have room for your computer, scanner, fax machine or any other equipment you may need. Have your personal phone book nearby for often used numbers instead of scribbling them out on any handy piece of paper only to be lost in the shuffle later.

If you are constantly looking for things in big messy piles, then it is time to clean up. Nothing is more frustrating than disorganization and wasted time hunting for something. Develop a system of organization that will work for you. Stick to your system. Spend a couple minutes at the end of each day to make sure your workspace is clean, organized, and ready for work tomorrow. The few minutes you spend can save you a lot of time that could be used more efficiently by working.

No Procrastinating

Deal with things as they come across your desk. Don't put it off or those papers can start piling up. Either deal with it or get rid of it. Don't touch the same paper more times than you have to. This also applies to any mail you may receive that pertains to your work. Go through it right away. Throw away what you don't need and deal with the pertinent mail immediately. Have a small desk top filing system where you can put bills, correspondence, accounts payable, etc. in its own particular slot. Again be diligent in your efforts to maximize your time.

Try to set aside a specific amount of time to do a task. Once you are finished, move on to the next project. If you self impose time deadlines you are more likely to complete tasks than allowing them to take more time than they need to.

Remember, this takes self discipline, hard work and concentration. Time management is always a work in process. Once you learn new working habits and get into routines it will become easier. Learn to say "no" and stick to your strategy of time efficiency. Most other people's emergencies usually don't have to be your emergencies.

The ability to set goals and the work it takes to achieve them is how you will earn the money you need to have the satisfactory life style you are aspiring to achieve.

The first step of a journey is to know where you want to be and the direction you need to go to get there. You have to have a destination or target. On a pirate map "x" marked the spot. You knew that once you made it to the "x" that your goal of riches would be fulfilled. But you need that map to get to your goal. So make a goal map for yourself. Write down on paper what it is you want to achieve. Now you know where you want to go and when you will arrive.

If you were taking a plane and were not sure when it left or when it arrived at a destination, you would never be able to get on that flight. So it is important that you set definite timelines in achieving your goals.

Other Issues Only You Can Handle

Your health is also an issue when talking about productivity. If you are tired because of lack of sleep you are going to be less productive. Make sure you get the proper sleep you need. There are no real benefits to lost sleep. If you plan your day accordingly, then you should not have to miss sleep or more importantly meals. If you are working without the proper fuel in your body you can not expect it to run optimally. Also, if your body is out of shape, it can slow down your mind and hence your productivity. You will tire more easily. Have a health plan in place. It should include healthy food, exercise, and proper sleep.

Think of it this way. You don't have to skip breakfast and lunch anymore. You also can take the time to eat and not have to pick up a fast food burger just to get something in your stomach. You will have the time to eat more healthy nutritious foods. This will keep you in good shape and increase your productivity.

Try to exercise 20 to 30 minutes each day. This does not mean you have to go to the gym everyday. It can mean a brisk walk with the dog, a hike, a bike ride, or working in the garden. Again, when you decide your schedule , you can easily schedule time to take care of yourself. Your body and mind will thank you. Regular breaks reduce fatigue and even boredom which definitely affects your productivity.

Remember too, this includes your eyes, especially if you are staring at a computer screen for long periods of time. Every half an hour or so take the time to rest your eyes. Blink them several times and then close them for a minute or two. Keep a bottle of moisturizing eye drops on hand and use them when your eyes feel dry. Make sure you use the correct lighting. This will also protect your eyes.

Chapter 18:
Minimizing All Costs For More Profits

You learned in the last chapter how to increase your profit by increasing you rates and making the most out of your billable hours. Let's review our profit formula once again.

Hourly charge X number of hours you worked + any costs

Cost of doing Business

As you see costs need to be taken into account when making sure that you make the most profit possible. You will learn in this chapter how to minimize your costs.

You have to pay close attention to how you are spending your money, because spending has a direct impact on your profit margin. When you are faced with buying some equipment or services as a freelancer you must look closely at what you are buying. Cost comparison is very important. The time you spend can save you money in the long run. Sometimes you may have to wait until the best possible price on a product or service is available.

Avoid impulse buying

It is easy to see a product and want to buy it immediately. Wait and shop around. After you have shopped around and have found what you think is the best price, sleep on it. Wait a day or two and look at the product or service again. Is it what you really need or is it a want? Then look again for the best price. If you think you have found it, only then should you make a purchase.

Cutting Costs

There are other ways to save. Find out whether any organizations or companies you are associated with offer discounts. There are seasonal times of the year when certain items are cheaper or are on sale. Often, when the next year's model becomes available this year's model goes on discount in order to move it out of stock. Look on Amazon.com and especially eBay for the product. You have to be careful. Just because it is on eBay does not mean a product or service is cheaper. You have to know what the average price of an item is before you should commit to buying on EBay.

Look at those ever present circulars that come in the mail. They often have sales for the items you have been waiting to buy. Be patient and be a good shopper. In the long run, the time you wait can save you money.

Look at your home office. Are you using an excess of energy? Find out where you can save money. Even the light bulbs you use can mean pennies-a-day savings that add up in the long run. If you could save just a dollar a day in energy you could save over $365.00 annually.

It All Adds Up

Look at the services you use: energy, internet, phones. Shop around and compare to see if you have the best deal. A lot of companies such as cable companies can bundle these services for a price lower than the cost of each individual service. Call around and shop.

How are you sending packages? UPS? US mail? FedEx? Shop and find out the most cost effective way to send packages. Give your self time to send packages where you don't have to pay the extra money for express shipping. If you can fax or email items to a client you will save yourself even more money.

Try to negotiate for prices. You clients often negotiate for your price to provide a service or product. You should do the same when making a purchase. Ask the seller what their rock bottom price is. Ask if there is a discount if you buy in bulk.

What about buying products at warehouse places such as Costco and Sam's? You can save money on products there,

but again, you have to know what the product costs at another place. Also, if you have to buy 500 reams of paper to save $5.00 is it really a bargain? And do you really need 500 reams of paper all at once? Think hard before buying. Just because you can save a little money does not mean you need to spend all of your revenue at once.

If you have specific expenses that you will incur in a project, try to add the cost into your final bill. Make sure you have the understanding that they will pay out of pocket expenses. Make sure you itemize the items on the invoice that you send the client.

Remember in the prior chapter we talked about making sure that billing details were in the contract? If a bill has become overdue then it is like the client is taking money away from you. If the money you are supposed to have is sitting in their bank rather than yours then they are collecting interest on your money. You can reduce the number of problems by making sure you send your invoice to the client right away. Try to have the shortest time possible agreed upon for the bill to be paid. Remember, you would rather have the interest accumulating in your account rather than theirs.

There are times you may have difficulty getting payment. If you cannot resolve the situation any other way you may have to resort to getting a debt collection company involved. They

will take a percentage of the payment collected for their service. However, some money is better than no money.

Uncle Sam's cut! Remember you have to be responsible for your own taxes. If you make mistakes, it can cost you thousands. If you do not work for a tax company or are an accountant you should not really try to manage your taxes on your own. There are so many ways that a tax professional can save you money. It is worth the investment of hiring one. You would not trust a car mechanic to do a tooth extraction. They may know mechanics, but not body mechanics.

So if you don't know what you are doing, it is probably better to leave those matters to folks who know what they are doing because they do it everyday. You can relax a little knowing you are being taken care of and worry less that you will have to sell your car in order to pay for taxes this year. There are ways to keep up with your expenses. These will assist you whether or not you decide to use a professional accountant:

- Make sure you write everything down. When it comes to money have a ledger of expenses and income. You can buy software such as Quicken or Microsoft Money.

- Keep all of your receipts. Put them in a file and don't lose them. You want to keep track of your expenses. More important some of those receipts can save you money as a tax write off.

Chapter 19:
Do Less and Make More

Have you made that first million yet? Not quite there? Let's look at other ways you can increase your revenue and in some cases work even less to do it.

One way to make more money is to offer more. Instead of just accepting the job as is, look at ways in which you could add more services. An example would be if you were a web designer. Why not offer to find them a hosting service, have a monthly update feature or make up some advertising for the new site. The client would be happy with the one stop shopping and you have made a greater sale which means a greater profit.

You can offer bundled packages as well. These packages can offer some savings as compared to a la cart services. You can offer buying in bulk deals, where they are guaranteed a certain number of projects for a reduced price. This happens all the time in the freelance world. It is guaranteed revenue, but be careful not to cut your prices too much. This could hurt your profit margin.

Companies often have to spend money in order not to lose it. If a department has to spend money before the end of a fiscal year, they are often in a mad rush. Advertising during this time of the year can earn you money.

You must always protect your rights to what you produce. If you don't you could lose money. For instance let's say you are a freelance writer. If you do not protect your rights over a piece you sold, you may not ever be able to sell the piece again. If you don't sell the rights to a piece, you can resell the piece over and over. One job, many paychecks. That is smart business. If a client asks to sign your rights over on a product be very careful. If you sell the rights to a piece then you are selling the permission of the client to use the work. If you are able to resell pieces you are working less and making more. It is just another step on the way to making millions of dollars freelancing.

Wouldn't you love to sit back and allow someone else to make money for you? You can. There are times in which you will not only be selling your time but someone else's as well. A client may not want to go through the inconvenience of finding someone to complete a project. You add on the services with a mark up.

The mark up is your profit for finding the other workers for a project. This is standard practice for freelancers and especially consultants. You can decide what the markup should be. Remember, you want repeat long term customers, so be reasonable. It does mean extra profit so it is worth while.

One way to add to your value is to network. Find others you can work with to add value to what you have to offer. After

working together for a period of time you may decide to form a company together.

Make sure that when you subcontract work that you know the quality of that person's work. You then become the client. If their work is shoddy it will have a negative reflection on you. If they miss deadlines or go out of business it can cost you a lot of money and lose you future jobs with a company.

Make sure you have firm, clear contracts in place. You can find people to work with in the same places your customers found you: the internet, freelance websites, and advertisements. Make sure you ask for their work samples and references. Take into account how long they have been in business. Be clear on what services they have to offer and whether they have the credentials and skills needed to complete the project.

Subcontracting is a great way to add to your profit margin, while adding to the value of the services you provide. Take the time to look around and decide what kind of people you need to work with. They will be thankful for the work. Often times they will reciprocate by sending you jobs they encounter as well.

If you decide to take the next step to becoming a business that offers services, there are some things to consider. One is getting an office space. Shop around and start small. You also need to figure what it will cost for office personnel, equipment,

lights, heat, air conditioning, etc.. The point to remember is that with an expanded business the jobs you will be getting will also be much larger.

You will have others do the work while you figure out better ways to make that money. In the end you might grow large enough to sell your business for millions. Wouldn't that be nice? If you take things at a decent pace, save money, obtain long term clients, and have the right people working for you, the sky is the limit.

Chapter 20:
Professionalism Gets You More Business

In this last chapter we will summarize how to be the best professional freelancer possible.

People in business can spot a phony a mile off. By being yourself but still acting like a professional you will earn respect and repeat business from the clients you serve.

Build a strong relationship with your clients. This is done be being yourself. Again clients can pinpoint phonies. Be personal and approachable. If you show that you care and enjoy what you do, your clients will be able to see that as well.

Stay On Top Of Your Game

Keep your skills honed. Take opportunities to sharpen them. Keep up on current trends and information in the field you choose to work in. Your clients will be impressed on how up-to-date you are and how much expert knowledge you have.

One of the best ways to become a successful business is to research successful companies in your chosen field.

Ask other professionals what they have done to become successful. You save a lot of time if you don't have to reinvent

the wheel. Learn from other people's successes and failures. The information can be invaluable.

Another way to evaluate your services is to send out brief surveys when you complete a job. The feedback can open avenues to areas where you need improvement. Negative feedback is always an opportunity to make change. You can take the positive comments and use them in your advertising.

You can even evaluate your clients. Prioritize them. Which ones are the best clients and which ones take up all your time. Consider increasing your rates to see if those using all of your time meet the challenge. They will either pay you more or make it worth your while or they won't come back. That way you can concentrate on your money makers. Remember, if a customer is wasting your time then they are wasting your money.

Too Much Can Simply Be Too Much

Don't overwork yourself. It may seem noble to try to do as many jobs as possible but not if you risk burn out. To make matters worse the quality of your work may suffer and your clients may notice. In the long term you could loose work by trying to do too much.

Remember in a previous chapter when we talked about taking care of yourself? If you are trying to do too much, you are not taking care of yourself. Besides, what fun would it be to be working all of the time? Didn't you want to become a freelancer so you could make your own schedule and spend more time with family and friends?

If you have made some contacts networking you may want to make deals about sending each other work when you are overloaded. If mutually agreed upon, it can keep the jobs flowing but will create a stop gap when there is too much.

If it is cost effective, you may want to hire someone who can take on some of your duties such as web site maintenance, answering phones, and taking care of the financial aspects so that you can concentrate on other projects. This can save you time and prevent burnout.

Make This Word Part Of Your Vocabulary

Say the word, "NO!" Go ahead and practice saying it. Say it to yourself in the mirror. Get used to being able to say it without hesitation or over analysis. Just because a client offers you a job does not mean you have to take it. Is the job something you can do? Does the job fit into your overall plan of acquiring a long term client? Think of the job as a step in the road to the million dollars you seek.

Also consider what would happen if you did not take the job. It is not always prudent to take on a job just because it meets the short term goal of a paycheck. If it does not pay well or the client is not likely to be a repeat customer, then politely decline. Again, you have to manage your time and resources wisely. You need to pick your clients and jobs wisely as well.

A way to utilize your marketing time and dollars is to think of unusual ways to attract the attention of potential new clients. You need to set yourself apart. What do your mailings look like? Are you using eye-catching colors, words, and images that will attract a potential client's attention? You don't want your mailings to automatically be thrown in the trash. If you can get a potential client to spend a minute paying attention to your marketing attempt, you are halfway to winning them over.

Collaborating On A Joint Venture

Another way to make the most of your marketing dollars is to collaborate with other companies. Working together can be an effective way for both of you to get your names out there and known. When you split the price you both win. You are able to send materials out to more people and have greater results working together than you might have just trying to do it on your own.

Try to utilize your marketing ideas for certain occasions or events. If you can coordinate your marketing with ongoing events you may reach a wider range of prospects.

Staying On Top Of Your Website

Look at your website and explore its potential. Look at how you can raise your ranks in search engines as mentioned in a previous chapter. If you can increase your ranking you can definitely get more hits on your site when people are searching for the kind of services you offer.

Pretty Is Nice But Speed Is Better

Have you considered how long it might take for a person to be able to load your webpage? Not everyone has lightning fast internet service. If you have a lot of graphics and they have a lot of megabytes, you may want to consider choosing other graphics or eliminating them all together.

The longer it takes a potential customer to load your site, the more likely they are to skip it for the next site on their search engine results. Don't have a whole lot of glitz and fanfare. Make your website easy to access and easy to navigate. Make sure it gets to the point and that your contact information is current and easy to access. It may even be one of the questions you add to your survey. You can ask a client

whether or not the website was useful and what you could do to improve it.

Make a habit of updating your site. Give your clients something to look at that is different so that they will come back. Post promotions, deals and some new examples of your work. Don't let your site sit and get old and filled with cobwebs. It is your store front and sweeping and the occasional touch up paint should be part of your regular routine.

Get to know your customers. If you know a client's birthday, send them a card or email. You can even offer a discount as a birthday gift.

Always listen to your customers. Be polite and empathetic. Get to know their likes, dislikes and idiosyncrasies. Write them down in a file to help you remember. Paying attention to a client's needs gives you a much better chance of keeping them as a long term customer.

Always make sure your customers have access to you. Give them your phone numbers and let them know the best time to reach you. The trust it builds with customers can mean dollars to you. Customers who trust you will continue give you jobs.

Thank You Follow Ups Are A Professionals Signature Move

Always, ALWAYS, thank your customers. Send them a thank you email or post card thanking them for their business. This encourages them to be a repeat customer. If they feel they have been taken care of than they are more likely to take of you in the future.

Make Cash Flow King In Your Business

Provide every way possible to accept payment from your customers. They will appreciate it as a sign of your professionalism and you wont have to wait for your money.

You are now on your way to cash flow in the millions that you totally control.

Cut out the middle man, (Job Boards), and 3rd Party Payment Systems as soon as possible.

Now get out there and be A Quick Cash Flow Freelancer.

Internet marketing resources

Private Label Resell Rights Products you can resell as your own http://www.sourcecodegoldmine.com & www.PLRights.com

"How to write and publish your own OUTRAGEOUSLY Profitable eBook in as little as 7 days - even if you can't write, can't type and failed high school English class!" Go to http://www.jeremyburns.com/a/7dayebook to get started

Merchant Account Authorize / e-OnlineData –
www.e-onlinedata.com/accuratemarketing
This is our 1st choice recommendation for merchant accounts, this is a very easy place to get approved and in the many systems we have tested are the easiest to work with! **Super Low Rates!!**

Shopping Cart 1ShoppingCart.com –
http://www.webmarketingmagic.com: Instant merchant accounts and real-time payment gateway services. This is a private label of the 1sc system and provides great service!

Now that you are on your way to becoming a Mentor Marketing Expert, don't stop there! The next step is the Holy Grail of Internet Marketing How To Guides... Read on for details!

"Learn how to make a life-changing income of $100,000 to $250,000 with your Internet business... even if you're a computer dummy!"

Review: "The Insider Secrets to Marketing Your Business on the Internet" by Corey Rudl"

I've just finished reading the brand-new version of Corey Rudl's top-selling Internet marketing system, "*The Insider Secrets To Marketing Your Business On The Internet*," and frankly, I'm overwhelmed by the huge

amount of critical wealth-building information he's managed to pack into these **two hefty binders and 3 CDs!**

But I guess I shouldn't be surprised; after all, when the box containing these materials showed up at my door, it weighed in at **over 10 pounds!**

That's 10 pounds of the most comprehensive **marketing strategies, test results, case studies, tools, and ideas** for generating a life-changing income online (from $1,000s to <u>over $1 million</u>) you're ever likely to read!

I'm talking about information like...

- Step-by-step advice for starting your own Internet business **in as little as 48 hours!**

- How to build a top-selling web site... for less than $100!

- Where to find hot products to sell (in 20 minutes or LESS)!

- 100s of FREE and cheap online tools, resources, and software

- How to get 1,000s of qualified NEW visitors to your web site... for FREE!

- How to **get #1 rankings in the search engines** and get tons of FREE traffic from the "Big Guys" like Google!

- Secrets to writing sales copy that can **increase sales by up to 400% (or MORE)!** And <u>much more</u>!

If you're unsure who Corey is, you should know that he's been a recognized expert in online marketing for a decade now. Not only has he generated **$40,000,000 in online sales**, his sites also attract **450,000 visitor a week!**

What's *really* great about Corey is that he can show ANYONE how to have a **wildly profitable Internet business** (that takes just a few hours each day to run)...

... *even if you're an absolute computer dummy!*

And if you *already* have an Internet business, he can help YOU, too. The advanced sections of his system show you how you can **increase your sales by 400%... 700%... even as much as 1,000%!**

I give Corey's system the highest rating possible! Its 1,300+ pages of step-by-step lessons contain the exact SAME tested and proven fast-growth strategies he has personally used to generate over $40 million in online sales -- *starting on a shoestring budget!*

And it's the SAME SYSTEM that literally **1,000s of his students have used** to drive "truckloads" of cash out of the Internet.

I strongly urge you to check out Corey's wealth-building system as soon as possible! Go to www.JeremyBurns.com/a/tips for a FREE preview.
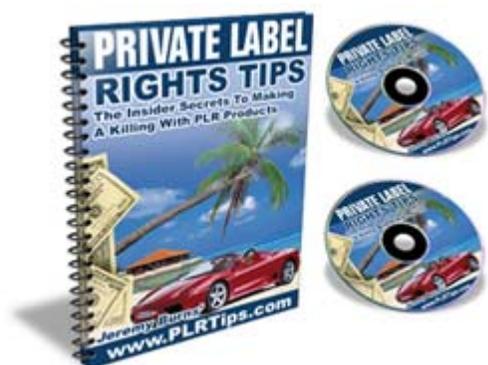
Free Bonus

[Private Label Rights Tips](#) -
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Package Value $97.00

Private Label Right's products are hot right now! There is a killing to be made from these ready made turn-key products if you know the insider secrets to making them work. I have worked out a special deal with Jeremy Burns where you can grab a copy of PLR Tips with your purchase of this package as my gift to you! PLRTips.com