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Getting Started as an Independent Contractor
Challenges and Advice for New Independent Trainers
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This article is intended to help people in the training and consulting industries make the transition from working in Corporate America to working as an Independent Contractor.

This document is not intended or guaranteed to answer every question you have, but should point you in the right direction. You should consult with your CPA and lawyer over many of the issues documented herein. Also, this document contains many items specific to the United States – where the Internal Revenue Service has definite opinions of employees vs. ICs when it comes to taxation.

Some of the common challenges for new ICs in the ‘training’ industry

Working alone. It often takes time to adjust to not working out of an office and with people every day.

Expenses. Transitioning from an environment where all of your expenses are covered to one where a \$1,000 airfare hits you in the pocket book.

Motivation. Motivating yourself without having an employer/boss.

Finding work. Being a well-loved trainer who was kept busy 200 days a year in a corporate job is very different than having to find opportunities to get someone to pay you to train for them.

No assistance. From executives used to having administrative assistant’s to sales reps used to having Client Services Reps and Sales Ops.

No regular paycheck and no set working hours. The ‘stress’ of not knowing when and how much you will be getting paid has sent a lot of ICs back to Corporate America. Others thrive on the lifestyle.

It is fair to say that not everyone is ‘made’ to be an independent contractor. Some of the very best salespeople and trainers we know were the best because they knew how to make it work as an employee – but they could not replicate that success as an IC. Conversely, there have been very successful ICs that were not as successful as employees.

Web pages talking about getting started as an IC

If you have never worked with or as an independent contractor before, you should familiarize yourself with the IC life by reviewing some of these websites. You might also run a Google search on “Getting Started as an Independent Contractor” to see what else pops up that might be useful.

About Working as an Independent Contractor:

<http://jobsearchtech.about.com/od/jobs/l/aa083099.htm>

National Association of the Self-Employed:

<http://selfemployed.nase.org/>

Internal Revenue Service:

IC or Employee: <http://www.irs.gov/govt/fslg/article/0,,id=110344,00.html>

Small Business and Self-Employed One-Stop Resource:

<http://www.irs.gov/businesses/small/index.html>

Small Business Administration:

<http://www.sba.gov/>

Launching Your Business:

<http://www.business.gov/phases/launching/>

Initial activities and purchases

While not complete, the list below is a good checklist to review to determine what additional expenses or activities you might want to undertake. The companies mentioned as possible solutions are not recommended or endorsed by me or SMT. They are just leading name options for you to consider.

In no particular order:

Accounting software. Almost everyone I know doing what we do uses Quickbooks Pro as their business accounting software.

Laptop, Cost vs size and other features. Ask your peers if they would buy their laptop again if they had a 'mulligan' on their initial purchase.

Laptop accessories, Wireless remote. When teaching a class using a PowerPoint presentation, you will want a wireless 'clicker' that you are comfortable with.

USB key chain hard drive. When traveling you will want something to quickly move files from one PC to another. Probably 512MB or greater. Size matters.

CD or DVD Recordable / Rewritable drive. I have an internal DVD±RW drive that allows me to backup key files from my hard drive. DVD read/write drive = \$100. Feeling of security = Priceless.

Backup software. You will want something that automates backing up your key files. I have had 2 hard drives crash and will never live without Backup software again. Be sure you backup your accounting files, Outlook Contact lists, and other files which are hidden in folders other than "My Documents."

Website and email. Don't assume you should spend \$12 a month on a website just because you are in business. If you are not going to point clients to the web site and you aren't going to keep it dynamic, then you should wait until later. Make sure you have a 'good' email account name to use, in addition to your business email account. You can keep your 'izzystardust@yahoo.com' for personal uses, but it's not the right look for a business account.

FedEx. It costs you nothing to set up a FedEx business account and it could come in very handy to have a FedEx account number. Alternately, find out what Brown can do for you.

High speed internet vs dial-up. Unless you live in Fort Kent, Maine, you should have access to high speed internet service. Don't kid yourself that dial up is 'not that bad'.

Instant meeting/conferencing services. This could allow you to do sales calls, or customer coaching calls, over the internet – and with no non-billable airfare. GoToMeeting, LiveMeeting, Net Meeting are examples.

Business productivity software. Microsoft Office. Sure you can download OpenOffice for free, or Sun StarOffice for \$70 ... but think about how much your time is worth, and how much time you'll be messing around with incompatibility issues with the 99% of the population using Microsoft Office. Adobe Acrobat Standard (not Adobe Reader). If you want to be able to make PDF files, and not just read them, spend a few extra \$ for a legal copy of Adobe Acrobat Standard.

Insurance. Some people have Business Liability insurance to cover items like their laptops – which might be excluded from their personal home insurance because it is property of your business. There are numerous other policies that you might be required to have.

Social networking software. LinkedIn is very popular, and can actually be useful for prospecting and gathering data.

Professional Development. Soundview Executive Book Summaries can be a good way to stay on top of dozens of business books. 8 pages at a time. Even with a sales background you can probably pay attention that long!

Again, do not hesitate to ask lots of questions – of anyone that will answer you!

*Tom Martin is a 16+ year veteran of the sales process, methodology and training industry. Prior to joining Think! Inc., Tom was a Managing Partner of Worldwide Operations with Siebel Systems / OnTarget. Prior to this, Tom spent 8 years at Miller Heiman - departing as President of North America. **Think! Inc.** is a hybrid "quick strike" negotiation consulting/training firm.*

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