

# Minding Your Business

*Are you self-employed? Would you like to be? This column explores the joys and challenges of managing your own business in technical communication.*

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## Managing Your Customers' Expectations

BY BETSY FRICK, Associate Fellow, St. Louis Chapter

*Column Editor's note: As you may have read in my co-editor Alice's most recent column, we are retiring from writing "Minding Your Business." Like Alice, I have a history with the column that goes back to the days when it appeared in Technical Communication. It has been a delight to share my views with you and to feature the stories and suggestions of fellow members of the Consulting and Independent Contracting special interest group.*

*The new column editor for this space is the Text Doctor—that's Elizabeth G. (Bette) Frick. Yes, there's another Elizabeth Frick! For the past five years, we have been friends, colleagues in STC, and partners in building "Getting the Job Done: Better Business and Technical Writing," a workshop that we plan to publish as a workbook. Bette is an experienced independent contractor and a senior member and officer in the Twin Cities Chapter STC. Alice and I are delighted to pass the pen to her. I'm looking forward to being "just" a reader for a change! —Betsy Frick*

**H**ow many customers do you know who deliberately set out to make your life difficult? Not many, I'm sure. They probably don't anticipate that adding three new chapters to a manual means that the project deadline needs to change or another writer needs to be hired. They may not realize that another round of reviews requires more (billable) hours of work. In most cases, good two-way communication prevents problems in the first place and provides solutions for the unforeseen issues that arise.

As independent professionals, we're on our own when it comes to negotiat-

ing rates, estimating projects, and making sure that the work adheres to the agreement. It pays to learn from the experiences of others when grappling with issues of payment without a written agreement, rate increases, late changes to the agreement, and project creep.

### Getting Paid

In hopes of getting more work in the future, one colleague embarked on what seemed like a small and interesting job for a business friend without any agreement in writing. The project turned less friendly when the customer decided not to pay the invoice after the work was done.

We've heard all the excuses before: Your rate was too high, or you took too long to complete the project. The material you returned was not appropriate. You didn't do enough work to justify that amount of money. The customer will pay you when it's convenient for them.

Don't let them get away with that! Of course, next time, you'll get the agreement in writing. But meanwhile, here are some suggestions for getting what you're owed:

- Nag. Call daily—or even sit in the office—until you get the check.
- Ask your lawyer to contact the customer.
- If the customer offers to pay a smaller amount, take them to small claims court. By offering any sum, they have admitted that you provided value, so you have a case.
- Report the customer to the Better Business Bureau.

Of course, think twice about doing any more work for a customer who makes any of these actions necessary.

### Raising Rates

Informing customers about new, higher rates can be a ticklish issue, especially in a down economy.

#### *Rates Saga #1 "But You've Never Charged This Much Before!"*

An independent professional decided to raise rates; we'll call the old rate AA and the new rate BB. This person had done repeat work for a large company, working successfully with several managers over the years. Normally, our friend worked under the company's standard contracts (typical in that industry), but also got specific agreements about each project approved before beginning work. Recently, a new manager at this company offered our friend a project, stating that she had recommendations from several colleagues, and she understood that the expected rate was AA. The independent professional told her that the work was an acceptable project, but that the rate was now BB.

"That's unheard of in our industry," said the project manager. "Besides, the other managers said your rate was AA." If you're in a similar situation, you have several options for handling it, including the following:

- Point out that it's legitimate to give yourself a raise. Other prices are going up, so why shouldn't yours? And if you've been offering the same rate for

several years, you may be past due for an increase.

- Offer to do a section of the project under the old rate as a loss leader, and charge the new rate for the rest.
- Refuse the work, but realize that you may not work with this company again.

In this case, luckily, another manager at this company had agreed—in writing—to the new rate for a different project, so our friend had a precedent, telling the new manager, “I’ll be happy to take the project, but AA was my 2001 rate. My new rate is BB.” The new manager grumbled, but agreed and since has been back in contact about further work. Now that’s a success story!

As this story illustrates, keeping a “paper trail” is crucial in negotiations with customers. Develop a meticulous record-keeping process that includes all electronic and hardcopy communications about your projects. Maintain your records as long as you are in business.

#### *Rates Saga #2: New Rates for a Renewed Contract*

In this situation, a documentation specialist is working part time on a new project for an ongoing customer. The hourly rate is well below the local average, but the contract comes up for renewal soon. This writer wants more hours and a rate more in line with the local market. Turning down the new contract isn’t an option because this person is the only wage earner in the family. The customer is likely to resist the increases. If you find yourself in such a situation, how can you successfully negotiate an increase?

Ask for an appointment to discuss the contract. Have all your information at hand before you go in, and be proactive, not timid. Be positive, not whiny. Offer solutions, not problems. Know that you can only negotiate down, never up, so start with slightly more than you hope to get. The following specific tactics can help in your negotiations:

- Obtain the most recent version of STC’s *U.S. Independent Contractor/Temporary Agency Employee Survey* as evidence to support your request for a higher rate.

- Show your value by citing positive feedback you have received from customer employees and users of your work.
- Point out your expertise with the customer’s system. You are already up to speed, whereas hiring someone new will involve a long, unproductive learning curve.
- Find out how critical your work is for the customer. Could the customer be liable for damages if documentation is not correct and useable? Could injuries result? How does your new rate compare with the rates the company pays its lawyers?
- Find out if calls to tech support or the customer service hotline increase for products that have poorly written documentation. If your services pay for themselves in reduced support calls, you’re saving the company money. If you can, find out whether customers return your client’s products because they are hard to use and buy similar items elsewhere.
- If necessary to keep the project, propose a rate increase that will not go into effect for a month, or until the beginning of the next quarter or the next fiscal year.
- Inquire about full-time employment with the customer.

Even though you don’t want to walk away, you don’t want to cave in or sound desperate, either. Make a “Plan B” in case the customer refuses all your negotiation strategies. Always have a “walk-away point” at which the offer is not acceptable. You don’t have to tell anyone what this point is, but knowing it will give you confidence.

#### **New Project Managers**

In one situation, the manager who signed the general contract wasn’t the project manager for the actual work. The technical communicator had discussed the specifics for the project and had a verbal agreement on the specifics with the original manager. However, the company hired a new manager who changed the deliverables, the location of the work, the time commitment, and the software tool to use for development, which was unfamiliar to our technical communicator.

Feeling that the project was turning into a full-time job, the writer considered walking away from this long-time customer.

In such a situation, you can opt for one of the following alternatives:

- Consider it an opportunity: Take the project and learn the new software to enlarge your skill set.
- Ask for a meeting to discuss the rationales for the original agreement and for the changes.
- Ask for the original manager to be involved in the discussion of the project.
- Be prepared to walk away if negotiations fall through.

Don’t go into a contract discussion in an angry or desperate frame of mind. Take time to think about the situation. Before entering into a contract, discuss alternatives and solutions with an objective person.

In this case, the technical communicator came to the meeting with a list comparing the original and changed parameters, and with a sense of where to give before walking away. The project manager turned out to be new to documentation. After discussing the project, they decided that most of the original decisions were actually better. Another success story!

You can avoid situations like this by creating a letter of agreement (see my column in the February 2002 issue of *Intercom*) and obtaining written approval of the specifics of a project before beginning work. Your letter of agreement should include categories such as deliverables, tools, responsibilities, milestones, and budget. Also state in your contract that any changes to the agreement, including personnel changes, may require a new negotiation, at your discretion.

#### **Project Creep**

Project creep happens when a customer (or you) expands a project. The question is whether the deadlines shift and the payment increases to accommodate the extra work.

One writer landed a project because the former contractor was, in the words

of the project manager, “costing too much money, way over budget, and I don’t know why.” Knowing that this customer was notorious for increasing the scope of projects (and thereby forcing writers to miss deadlines), the new writer provided a written quote that included expected hours and responsibilities for all parties. However, the project manager and the subject matter experts disagreed about the content, and review meetings turned into half-day events not included in the quote.

You can protect yourself from project creep by writing agreements that are as specific as possible. Include a statement in the agreement that allows you to adjust deadlines and payments to include additions and changes to the project. Determine how much creep you will accept and how much will trigger a change order or new agreement. Get all changes in writing by using a change order or letter of extension. If you communicate changes over e-mail, ask the customer to acknowledge the message.

Communicate, communicate, communicate! Have a progress review meeting with the customer after every milestone to examine the budget and timeline and decide if changes are needed. Let the customer know immediately if any part of the project appears to be creeping. Tell the customer how you have saved time and money on the project. Project managers like to hear good news, too.

In our case, the writer informed the manager after the first extended meeting that this extra time would be billed. Because he had agreed to the written quote based on expected hours, the manager did not complain about the larger invoices.

#### **In Conclusion**

What is a reasonable rate for your type of work? How often should you raise your rates? When does project creep or a change in personnel indicate the need for a new contract discussion? Like all of us, I continue to wrestle with these questions in my own business. I hope the techniques discussed here help you get paid in the future. Best of luck, and good business to all of you. **i**



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