

Out on our own: From freelancers for freelancers

Did you do a business plan when you set out on your own? Linda Liem in the Netherlands did, and she tells us about it in this issue. Like many of us, she found that it was an excellent way of formalising her approach to going freelance and made her think about the entire venture in a structured way. It may seem a bit of a bore, but in some countries (like Germany) it is essential to obtain government assistance. Even if you feel you can start up without grants from the authorities, preparing a business plan is a great discipline to put what you expect into perspective with what the market has to offer.

Stefan Lang has been in business for less than a year in Germany as an independent writer and consultant after a research career. In this issue, he shares with us the early stages of his journey into freelancing, with plenty of tips,

not only for those in Germany, and will be keeping us informed of his progress throughout 2008.

Our 'Ten questions' in this issue went to Alison McIntosh, a seasoned freelancer, EWMA workshop leader and *TWS* columnist, who has also been able to be persuaded to take the minutes at all the Freelance Business Forums so far (and write them too!).

We look forward to seeing you in Barcelona.

Alistair Reeves

a.reeves@acribe.de

and

Sam Hamilton

sam@samhamiltonmwservices.co.uk



Thinking of going freelance? Write a business plan!

by Linda Liem

The idea of being a freelance medical writer is intriguing to many people, but only some dare to make the step from dream to reality. The prospect of becoming a freelance medical writer can be daunting; it certainly was for me. Luckily, I was well prepared by the time I had to make the decision. A few years ago, I started dreaming about doing something other than working as a middle manager in a large pharmaceutical company. After visiting the EMWA website, medical writing seemed a good option, but there were not many opportunities for work in that direction, since we live in the wrong part of the Netherlands with few relevant companies. Nevertheless, I decided to further explore the possibilities for freelance medical writing, if only to know whether it would be a feasible career change somewhere in the future. So I started to write a business plan for myself.

Business plan

You may think that a business plan is only something that you have to write when you need money, to convince the bank manager or investor that you have found the perfect new business opportunity. It is, however, also a great way of preparing and convincing yourself. Writing a business plan will help you to substantiate your ideas and take an objective and honest look at your business. Although it

takes effort and time to write a good business plan, the exercise will give you a pretty realistic idea of the possibilities and pitfalls of becoming a freelance medical writer and enables you to make an informed decision about whether it will be a viable option for you or not.

There are many different templates for a business plan. If you search the internet, you can find examples and tutorials on many different websites, e.g. the tax office, the chamber of commerce, banks, and business support organisations. A business plan usually consists of an executive summary, a general section, a section on your marketing strategy and a financial section. These sections will be discussed in more detail.

Executive summary

The executive summary is at the beginning of the document. It consists of a concise summary of your business plan and should raise the interest of anyone who reads it. Because it contains all essential points of your business plan, it will be written last. Writing a business plan for yourself has the advantage of not needing to worry about convincing others. Since I like to be slightly unconventional, I wrote down my mission statement and elevator pitch instead of an executive summary. A mission statement is a

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one-sentence summary of the most important goal of your business. An elevator pitch is a very short introduction of yourself and your activities (see also the excellent article of Ursula Schoenberg in the December issue of *The Write Stuff* [1]). In theory, you should be able to deliver your elevator pitch to someone that you share an elevator ride with, hence the name.

General information

The general section discusses the person running the business (i.e. you) and the business itself. Here you describe yourself, your background and experience, and your reasons for becoming self-employed. The first part consists more or less of your resumé or curriculum vitae, supplemented with relevant personal information. The second part is crucial for your business plan, because your reasons will determine the characteristics of your business. If you become self-employed to create a better work-life balance, the chances are that you will run your business differently than if you become self-employed because you want to realize your own vision.

Before you start writing this part, you need to ask yourself a lot of questions. What is the most important reason for becoming self-employed? What are the legal requirements for your business? Do you want to stay freelance or develop a business with other co-workers or employees? Will you work from home or from an office? How many hours do you want to work? What kind of medical writing will you do? Are there other activities that you can do? Will the income generated by your business be the main or a supplementary source of income?

Try to visualise yourself 3 years from the time of writing and think of what you would like to have achieved in that period. Then write down ideas on how you can do that. Think of this as a brainstorm and write everything down that comes to mind, including ideas that seem farfetched or unrealistic. You probably don't need them all, but you never know what may happen in the future. Just remember to be honest with yourself. So write down what you really think, not what you think someone else would like to read. If you want to become a freelance medical writer because you want to work fewer hours and still earn some money, then start developing your plan from that basis and be consistent with your goals and expectations.

Marketing strategy

Now that you know who you are and what you want to achieve with your business, you can turn your attention to the outside world. In this section you are going to describe your prospective clients and how you are going to draw their attention to your services. This is the marketing mix; your strategy of winning clients and assignments.

You can start by writing down what services you want to provide to what kind of clients. Then look in your address book, search directories and the internet, and list all poten-

tial clients you can find. The more information you have, the better. If you have a contact person working for a potential client, write them down. Write down any relations, colleagues, friends or family members who may be able to provide a contact name or, even better, introduce you to prospective clients. Now identify the contacts with the most potential, so you know where to start. Even if you don't actually contact all persons you identified, this list will give you valuable insight into your network.

Next you need to think of your prospective market. Take time to perform some small-scale market research. Look at your list of contacts. Whom are you going to approach first and why? What services are relevant for a client? What needs do they have, and how can you fill their needs? If you don't know, how will you get the necessary information? Do you have competition and who are they? What fee are you going to ask? Do you give hourly rates or calculate a project fee? How are you going to convince a client that you are the right person for the job? If you have prepared yourself by thinking about this and writing it down now, you know the answer to many questions that a client will ask later and you can concentrate on the conversation.

Now write down all other means of finding clients. Then look at the list and write down what you think of those items. Do you feel comfortable with them? Do they fit you? If, not, why is that? Would you like to get advice, gain more experience or enroll on training before you are going to use a particular method?

One of the things that I had to learn in the past year is that you are in control of your business. You can get advice from other people, but you don't have to use it. Some freelancers don't like to advertise that they are a freelancer, i.e. a single person doing the work. They prefer to advertise as a small company, e.g. by using "we" rather than "I". Personally, I didn't feel comfortable with this approach and I decided to head in the opposite direction and emphasize myself, my skills and my experience to clients. For me this works well, but it may not be the case for you. As I said before, be honest with yourself. Find as much information as you can, talk to people and decide what might work for you.

Financial analysis

Finally, you are going to investigate if you can make a living out of what you want to do. The easiest part is to start with expenses. Do you need to invest in a place to work, a new computer, software, reference books or printed materials? Do you need to rent an office or rebuild your house? Are you going to employ service providers, e.g. an accountant, lawyer, web designer, webhosting or business consultant? In order to run your business, you will incur expenses for the telephone and office supplies. Most domestic insurance excludes business-related claims, so you'll need commercial insurance. Don't forget expenses for membership of professional organisations, e.g. EMWA, meetings and training and ask your local chamber of commerce about other business costs.



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You then create a forecast of your potential earnings. Understandably, this is difficult when you don't know how much work you are going to get, since you haven't started yet, but for a rough estimate, you can start by deciding how many hours you are going to work in a week. Then decide how many weeks you need for holiday and other eventualities (e.g. being ill), and subtract that from the 52 weeks of the year. Multiply the weekly hours by the number of weeks and you have a rough idea of the hours available for your business. Being self-employed means you also need (unpaid) time for other business-related activities, such as administration and acquisition. Starters need more time than experienced freelancers. Generally speaking, an experienced freelancer can spend up to 70% of the time on assignments, but for a starter this will be only 40–50%. Thus, if you take 50% (or 40%, if you want to be conservative) of the available business hours and multiply that by your hourly rate, you have a rough estimate of your annual earnings. Don't forget that your expenses and taxes still need to be paid out of this amount. You can see what happens when you postpone investments that are not necessary or when you increase the number of business hours.

Now you have a solid foundation for your decisions concerning your freelance medical writing business. Keep in mind that a business plan is a living document that can be adjusted and changed. When I finished my business plan, I was more confident that freelancing would work for me. Yet, as I was still comfortable in my company, I put it away and didn't look at it until I was pregnant with my second daughter. During my maternity leave, I got it out again and made my decision. In February 2007, 6 months after my daughter was born, Accurion Medical Writing Services came into being. My first year is almost finished and it went much better than I had expected. Although only a year in the running, I already find myself an experienced freelancer and wouldn't have wanted it any other way!

Linda Liem

*Accurion Medical Writing Services
Oosterhout-Nijmegen, The Netherlands
info@accurion.nl*

References:

1. Schoenberg U. Yoohoo! Self-marketing for freelancers and wannabes. *TWS* 2007; 16(4):184-5.

Carol Krcmar writes:

Dear Alistair,

Firstly, the freelance information provided in the last two issues of *TWS* has been extremely helpful to me in starting out as a freelance medical writer. I am registered to participate in the EMWA Freelance Discussion Forum which has been another good source of information for start-up.

Secondly, I am in the process of registering myself as a *Freiberufler* (freelancer) in Germany and am writing to ask how you have translated 'medical writer' into German. Did you register yourself under the category 'Technische und naturwissenschaftliche Berufe'?

Dear Carol,

It is good to hear that *TWS* and the EMWA Freelance Discussion Forum have been helpful. Thanks.

I am not quite sure what you mean by 'registering'. If you mean with the *Gewerbeamt* (trade supervisory board), to be a freelancer, you do not need to register with them, and if you do, this makes you liable for *Gewerbesteuer* (trade tax). You are not actually offering a *Gewerbe* (trade). The *Gewerbeamt*, of course, does not object if you register, because then you become a source of money. Stefan Lang, also a new freelancer in Germany, has contributed an article in the 'Out on our Own' section in this issue of *TWS* about setting up in Germany. This should also be helpful. His series will continue. You might like to contact him as he has also obviously done a lot of research.

Government help is available here, but it may already be too late for you.

Writers and editors are classed as *Künstler* (artists) in Germany, which means that you can (and under certain circumstances must*) become a member of the *Künstlersozialkasse* (Artists Social Fund) (*Abteilung 'Wort'* ['Word' Section]) (<http://www.kuenstlersozialkasse.de/wDeutsch/>) in Wilhelmshaven. They pay half your pension and health insurance contributions: not to be sneered at; no other group of freelancers in Germany has this privilege.

Raquel Billiones had a good suggestion for a translation of medical writer in the last issue of *TWS* [1]: *Pharmafachautor(in)*; *Medizinische(r) Fachautor(in)* also sounds OK to me. What do our German-speaking readers think?

Best wishes

Alistair

* I say 'must' because after being made redundant I registered with the Unemployment Office as a *Medizinischer Redakteur* (medical editor or journalist), who immediately passed on the information that there was an out-of-work 'editor' to the *Künstlersozialkasse* (because editors and authors are their responsibility) and I had no choice but to join because I gave that as my profession. I have not regretted it because of the contributions.

Alistair Reeves

a.reeves@ascribe.de

Reference:

1. Billiones R. From academia to medical writing—And staying there. *TWS* 2007;16(4):166.