

Subcontracting: A Success Story

Many years back, Dana Pulis wrote a piece for the ezine about her growing FLCW practice in small-market Billings, Montana. A few years later, I got a call from Dana that knocked my socks off. After topping out as a writer in a small market, this at-home mom with two toddlers had doubled her monthly income by subcontracting other writers.

And that was just the beginning. She went on to build a thriving agency called Kinetic (www.kineticmc.com).

I asked her to contribute her story to the 2010 edition of the TFWW, which she kindly agreed to do. And as noted in Chapter 12, where I referenced this Side Dishes piece, in the interest of keeping the book lean, I decided to offload her great story here.

Yes, it was written some years back, but the practices she discusses below never go out of style. The rates noted below will likely have adjusted up over time.

Subcontracting Done Right

Baby Steps

Tired of urban sprawl and an unhealthy work/play balance, my husband and I quit our jobs and moved with our sons to the peace, quiet and real outdoors of Billings, Montana. It was a welcome change, but it wouldn't make the car payment or stave off the bank repo letters I received.

I graduated in journalism, was once a good writer, but hadn't penned a sentence in ten years. Desperate for a job, I went back to what I knew: newspapers. I made about \$4,000 in 2001, doubled that in 2002 and 2003 with a bit of commercial work, and in 2004, finally went for it as a full-time FLCW.

Before long, I was pulling in around \$6,000 a month and rarely working more than seven hours a day. Within two years, the workload quickly grew beyond what I could handle myself. I was charging \$75 an hour and pushing \$90K—about the limit of the Billings market. I faced a tough choice: find a way to keep growing or start turning clients away.

Subcontracting: Risks & Rewards

Realizing I had some jobs I could farm out, I started looking for a writer. At first it was risky and uncomfortable trusting someone else. I focused on finding a writer who wasn't a threat—someone not as good but good enough. Mistake. I learned the hard way.

I went through several writers—two English students, an acquaintance, and a newspaper writer—people I could pay \$20–25 an hour while charging the client \$75 an hour. None were really great writers, and one even cost me a client. Still, within three months, by subcontracting, I went from roughly \$200 to \$2,000 a month. In March 2006, that figure doubled: I was making an extra \$4,000 a month without ever picking up a pen!

More importantly, I started seeing a much bigger picture. My clients needed more than just writing; they needed marketing direction. So I read everything I could about marketing, and started helping clients with marketing concepts and campaigns.

In May 2006 I was subcontracting two writers. I convinced my husband, who worked in corporate PR, to quit his job, and we started our own firm. We partnered with a former client, contracting with their graphics group to expand our offering.

We also traded up—letting less expensive writers go and investing in more experienced ones. I got several good contacts through Peter—one he referred directly and two who contacted me after reading about me in his ezine. I paid each about \$50 an hour—close to top dollar for Billings. I gave one of Peter’s contacts—a solid writer and 30-year specialist in medicine/health care—nearly everything I was making (\$65 of \$75 an hour).

This allowed me to relax and focus on taking care of the client’s marketing needs. That move alone allowed me to develop a full-blown marketing contract with a client who now pays me \$90,000 a year. As a writer, the contract would have been worth \$20,000.

We spent the rest of 2006 transitioning our writing clients into marketing clients. As a writer, I had maxed out in this market at close to \$90,000, but at the end of 2006, my income had nearly doubled—all by doing *less* writing!

In 2007, we hired a full-time writer, a graphic artist from the company we’d contracted with, and a marketing director. At the beginning of 2008, we were a seven-person firm, and continuing to grow. We’re on track to net \$400,000 this year, and \$1 million in 2009—pulling solely from the Billings market, population 130,000.

Best Practices

1) Hire the best you can afford. If your subcontractors don’t please your clients the way you please them, your clients will tell you, but it may be too late. If you’re charging \$75 an hour, find someone making similar and negotiate a \$50 rate in return for handling the marketing end. You’ll still make money, you’ll get new clients, and just as importantly, you’ll keep the ones you already have.

2) Don’t be afraid to give it all away. At times, it’s worth it to pay a writer nearly all you’re making IF it frees you to focus on the client and land far more lucrative work.

3) *Watch your ego.* Hire the best, and then trust them to get the job done. You don't want to squelch them with a "Thanks-but-I'm-still-better" attitude.

4) *Give subcontractors a trial run.* Over several months, vet new subcontractors on a mix of the kinds of projects you'd be assigning them if you hired them full-time. Invite them to brainstorming meetings, ask them to do research, have them work on smaller projects. It's much easier (and less costly) to part ways at this stage than once you've assigned them a major client or hired them full-time.

5) *Be prepared to hire and fire people.* If you're uncomfortable with someone's work, don't hang in there with them. I did, and it cost me. Always err in favor of your business.

6) *Make contacts with local magazine and newspaper editors.* Writers in these professions are often in the early stages of getting published. Ask editors to recommend writers who are talented, versatile or specialized.

7) *Tailor your contracts.* Current trends are away from legalese. Search online for examples of subcontract agreements for writers. Since you're a writer, write up something in simple English that you and your subcontractors will be comfortable with. For a small fee, an attorney—or even a good paralegal—can ensure a contract is accurate and a fit for your needs.

8) *Consult with business experts.* If you continue hiring subcontractors and growing your business, your business structure may need to change. Most cities and some colleges have small business development offices with experts more than happy to offer free (or almost free) guidance. They might be able to help with creating contracts, too.

9) *Hire a proofreader.* Sometimes you get so invested in the work that you miss simple spelling and grammar mistakes. Make sure you tell the proofreader exactly what you do and don't want him to look for. A good source for proofreaders: www.upwork.com.

10) *Go Virtual.* When it came time to form a company, we went "virtual." A computer network keeps us as connected as we need to be. When we *do* need a face-to-face, we meet in my home office. Not paying for an office lets me pay contractors and employees more, so I can keep hiring the best people. And frankly, not going to an office just makes us all happier.
