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Consulting Reflections
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consulting reflections

Why I Did, How You Can, and a Few Notes from the Field, Part Two

by Strata R. Chalup

President, VirtualNet; Starting as a Unisys 68K admin in 1983, Strata Chalup is now an IT project manager but allegedly has retained human qualities. Her mixed home network (Linux, Solaris, Windows) provides endless opportunities to stay current with hands-on tech.

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Last month we examined some basic setup issues around consulting, such as whether or not consulting is a good match for your work style, pros and cons of incorporation, fictitious name statements, and retirement planning. Let's continue on to some of the other big issues around running a consulting practice, namely setting rates and billing and dealing with various kinds of insurance.

After these business essentials, we will discuss how to create and maintain professional visibility, styles of networking, and some time management tips. The latter are definitely in the category of a practice, rather than a skill. They need to be constantly maintained. Even after 18 years of work, most of them consulting, I still find time management a challenge.

A Few Words on Rates and Billing

Charge about $25 - $50 more per hour for 1099 than for W2 work, and always consider your 1099 rate as your "normal" rate. It will cost you the difference in taxes and paperwork, so you are just making sure that you are compensated for the extra tasks you are taking on with 1099 work. Your portion of the social security tax will be between seven and eight percent for your 1099 income, and you will need to do quarterly estimated payments.

With the extra costs of self-employment factored into your normal rate, you can then safely discount your rate for hourly W2 contracts. The excellent article by Steve Simmons [*see references below – ed.*] on setting your bottom line gives you all the info you will need to set an initial rate and make sure you don't discount yourself into the red. Be sure to adjust for the changes in tax rates – at the time Steve's article was written, using a top tax bracket of 28% was reasonable. That top bracket is now 39.6%, a big difference!

Another significant cost of doing business is invoicing and collecting on jobs. I set a discount for longterm work, since it is usually as much (or sometimes more!) work to bill and collect for a 40 hour job as for a 400 hour job. You may think that the cost of invoicing is included in the rate you set as "normal," but in fact if you are doing very short gigs, you'll end up with uncompensated time due to outright theft of services. You're more likely to collect on the 400 hour job, since the folks who committed to that contract are comfortable with spending money. I had endless problems when starting out, accepting one and two week gigs where folks agreed on rates and tasks but then tried to weasel out later on once their stuff was working and they weren't feeling the pain anymore. Think hard about accepting anything less than a 150-hour/4 week committment.

When constructing a Statement of Work (SoW), I always make a point of using 42- or 45- hour weeks, and naming both a number of hours and an expected duration, with the hours multiplied by the rate being the binding figure. I find that 2-3 hours/week over the life of a standard contract tends to be correct for all the little extras that you do for goodwill but which aren't worth amending your Statement of Work for. I state up front in the SoW that we will bill only for work performed, and that while all the

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hours are allocated, they may or may not be used. Remember that fixed-price contracts are generally a huge headache, and you may not wish to get into them.

THE PAINT JOB IS LOVELY, BUT IT'S STILL A CORNER

Let's expand on the idea of setting up Statements of Work to supplement the standard contract agreement that you will either provide or accept from your client.

I set up my SoW very carefully, listing the tasks to be performed by VirtualNet and including tasks which need to be performed by the client or client partners in order for work to progress. If there are specific deadlines, I present them attached to tasks and subprojects, rather than to the entire project, and state that they are subject to change if their outside (from the client) dependencies change.

I also state quite explicitly what constitutes deliverables. Are they reports? Are they a service having a certain percent uptime over a certain number of days, barring outside factors like a third party doing a controlled downtime? Scripts? Presentations? An upgraded software package? A signed sheet from my client manager? Some combination of the above?

The most important part of the agreement is a clause saying that all changes to the tasks, deliverables, timetable, or the agreement itself shall be mutually agreed upon and commmitted in writing. If it's not in writing, it's not binding. You may, as I do, consider an email sufficient confirmation, depending on the client and the situation. It's a good idea to track changes on the activity summaries which accompany your invoices, listing them as specific attachments. Since your invoice has a signature line for your client manager (or ought to!), he or she is then signing off on the changes. This covers the case where you have such a good rapport with the client manager that you are willing to accept verbal change agreements – you simply write them up and note them "as per verbal communication of so-and-so, meeting date" and include them. We could spend many, many pages talking about SoW's, activity reporting sheets, invoicing practices, and the like, so we'll stop now, and cover some of those in future articles.

DEALING WITH THE DOWNTURN

In the current economic climate, you may find that the traditional formula for constructing rates will leave you in a position that is much less competitive when bidding for contracts. Even though your skills are valuable, don't let your pride keep you from working when there are bills to pay! Just as the rising tide of the last few years lifted all boats, the ebb tide of today's economy is putting some experienced skippers on the sandbar. Consider that your paycheck is only one component, albeit an important one, of every contract. There are also the professional relationships you make during the contract, the "foot in the door" advantage of having done business with the organization, and the avoidance of significant gaps in your resume or curriculum vitae.

It is up to you to decide what your real bottom line rate is. I don't encourage anyone to work at a rate where they actually lose money after taxes and expenses. This would be an extreme case, however, as there is usually quite a bit of room to maneuver between the hourly rate equivalent to a salaried position and the rate which offsets the higher risk involved in consulting. If you do not have several months of float set aside to cover your normal cash flow outlay, you may decide that it is better to work at a rate closer to what you would make on salary than to be idle, and that is a very responsible decision.

That said, you may wonder how to handle this with a client who knows your regular rates and has indicated that they cannot afford to work with you right now. Or perhaps you wish to preserve the option of raising your rates when the economy starts to move upward again, or when you have more options for work. My advice is to be very candid and open with your potential clients. Express your understanding that times right now are difficult for most organizations, and that you understand that they may not have as much flexibility about hiring contractors as they did in the past. Indicate the you have a choice about whether to work or not right now, and that you would prefer to be working, and are willing to do what it takes to come to a mutual agreement. Come right out and ask, "What could I do to make this work out for you?" A good manager will respect you for being upfront and for your realistic attitude.

My advice is to be very candid and open with your potential clients.

I encourage you to use any involuntary "vacation" time to catch up on professional and personal issues that often go neglected during the press of work. How's your home network doing? When was the last time you updated your Web server, put up a list of white papers, dug out that log rotation script you always meant to polish up and post to net, etc? The shoemaker's kids always go barefoot, and while you're forced to take a little slack time, how about making them some slippers? Another good use of this time is to work on some promotional material for your business. Update your business cards, or create a professional-looking trifold sheet or flyer about your services for conferences, user group meetings, and other networking events. Develop a talk or seminar to present at a future event, so that you can confidently volunteer for an open slot without budgeting time to write the talk.

This is also a great time to schedule all the irksome personal appointments you've been putting off due to your work schedule. Get your teeth cleaned, take the car in for a tune-up, change the filters on your furnace, and so on. Do something unusual and nice for your spouse or SO or a relative or friend. Get your holiday cards addressed, or maybe finally get around to making that mail-merge of your address book print out labels for the cards this year.

Health Insurance

Lack of insurance is a real problem in the United States, and the costs of self-insurance can make or break the economic viability of consulting for many people, especially those who have families or are planning to start a family.

If you are not already consulting, make sure you're eligible for COBRA coverage before leaving your salaried position. COBRA is, technically, the Consolidated OmniBus Reconciliation Act of 1985, but it's commonly used as the name for this special insurance. Substantial changes were introduced with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), including automatic coverage for children born to or adopted by a covered employee.

COBRA is basically an 18-month extension of your current coverage, with you paying the costs that your company formerly subsidized. The eligibility rules can be complex, but the primary feature is that you must already be covered by the medical plan when you leave. Get the details from your HR department or via your internal Web site, or by browsing the insurance rules for your state. Resident aliens in the US are eligible for COBRA coverage in most cases if they are working in the US and receiving a salary. US Citizens working for US companies outside the US are also eligible. One good link for info is the BenefitsLink site's COBRA area: *http://www.benefitslink.com/cobra/summary.shtml*

The reality is that consulting is more of a full-time job than an employee position.

COBRA is not ideal, since you usually lose your prescription plan and various other goodies that depend on you being part of the company's group. The rates may be pretty lousy, since they are heavily subsidized when you are an employee, but it is better than not having insurance, or having to wait many months to have "pre-existing" health issues covered by new insurance. Look into purchasing a supplemental insurance plan before your insurance status changes. The best supplemental plans are just that, supplemental, and you cannot purchase them when you do not have existing insurance coverage. Most of the ones I have seen do not require you to notify them of changes in other coverage, so your supplemental plan could become your fallback plan if you leave an employer before the six-month COBRA eligibility window.

Do not, of course, neglect the option of using one's salaried spouse's insurance! That's what we do, and it's a great deal. Also consider, whether incorporated or not, joining an organization such as IEEE, ICCA (International Computer Consultants Association), the Better Business Bureau, or other similar organizations which often have group insurance deals for their members. The US Small Business Administration may be of help as well. One colleague specifically praised the IEEE health plan for members, and offered a very negative opinion of the ICCA plan. I recommend that you do your own research, as everyone's insurance needs are different. As always, be very careful about pre-existing conditions, and whether coverage is dependent on being with a "network" of providers. Those who travel frequently on extended assignments may find this to be a critical issue for them. Fortunately there are many resources available to help evaluate insurance plans. Consumer Reports has several features available online that are very helpful, and a quick Google or AltaVista search will turn up many more.

Presence and Visibility

If no one knows you're consulting, your phone isn't going to ring and your inbox isn't going to have business proposals dropping into it – except for the usual offers to help move money out of small countries and other illegal and/or dubious "business" deals. So, let's look at ways in which you can hang your shingle out where folks can see it and, more importantly, get a feel for what you do and why they'd want to call on you for work. You don't need to be, and shouldn't be, the kind of consultant who is always nagging his or her friends to try to find work. On the other hand, the reality is that consulting is more of a full-time job than an employee position. To succeed, you need to be constantly presenting the best aspects of your skills, your abilities, and your self. This is a good time to swear off temper tantrums, barbed conversational styles, constant complaining, and similar personal habits, and to go the extra mile to lend folks a hand in technical forums and at user group meetings.

Online . . .

For most of us in technical consulting, the online presence is key. Your Web site should look very professional. Keep a clear separation between your personal homepage and your business homepage. There isn't even a link from *http://www.virtual.net/* to my personal homepage, and I keep the spiders out of it with a robots.txt file as well. I've gotten several contracts over the years that began with someone remembering only my name, and not any contact info, and doing a search on the name. I want my emails on technical lists, or my business Web site, to show up on the results page, rather than pictures of my cats or long diatribes about social issues! I did get a contract once because someone remembered my name (it's a bit unusual) and did a search, only to find a long diatribe. This manager, who became an important mentor for me, was heard to say, "This proves she can write! Let's get her in here!". Generally, however, you want your professional side to be more visible than your personal life, especially in places where potential clients may look.

Your most important visibility is actually on technical mailing lists among your own demographic. What type of consultant are you? A project manager, a hands-on sysadmin, a storage area network architect, a Perl programmer? For your own professional development, you are already almost certainly on some mailing lists of people with similar interests and abilities. Do you participate, or just lurk? When you do post, are you respectful and careful in your arguments, or are you a flamer who dashes off a few high-intensity lines?

Not all your online presence is technical, of course. I am on some "social" lists of very hightech folks who are usually in the thick of doing interesting stuff. I make time to keep up, to some degree or other, with these lists and to post when there's something relevant and appropriate I can add to a very technical or architectural discussion (as well as tossing in friendly chit-chat). I get a lot of leads from folks on these lists of the form, "hey, if you've got some time, there's something I'd like you to look at." They're not any better than "regular" leads, i.e., perhaps one in five to seven or so leads ever turns into paying work, but they do trickle in.

The second important function of a list community like that is to sanity check dumb ideas one has, drum up info in a hurry, and (best of all) find folks to whom you can quickly sub out bits of things you are doing that you don't have time to ramp up to speed on. You need to make time to stay mutual with it, and even when you turn someone down, make sure you offer them something they can use – a referral to someone else, a tidbit of wisdom on the topic, etc.

Don't *ever* spam your list communities, social or technical, when you're looking for work! If you know for sure a list is a small or liberal community that's ok with that, you can send a note. Some lists, like former work alumni lists, are specifically used for that kind of networking. The folks on some developer or technology list are not going to be happy about the same kind of usage.

On the other hand, adding a one or two line postscript to a regular message is generally fine. Just say briefly that you've got some additional cycles and that you'd welcome hearing from people who have such-and-such kind of work going spare. Let your intuition and past list traffic be your guide. It may be big news to you that you're available for new gigs, but it's probably low on everybody else's priority scale. Fair or not, as a consultant you're "supposed," in the dictionary definition of "imagined," to be more self-sufficient than the Average Bear. Spamming the world with hire-me messages is a good way to reset folks' opinions of your professional skills downward a notch or two.

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. . . and Offline

Get really nice business cards. It is worth a few extra dollars. Services like iPrint do a surprisingly nice job on full-color cards, and you can do the layout over the Web with any graphics you already have. Business cards do you no good if you don't carry them, so always tuck a few into your wallet and your computer bag, and even the pockets of nice blazers that you tend to wear at conferences and meetings. If you carry a PDA that allows beaming, create a business card entry for yourself so you can beam it to people. I recommend making a separate entry for friends, so that you aren't beaming potential business contacts your personal homepage URL and your home phone number. It's the little things, like not fumbling around, that count in some cases.

You will be amazed (or perhaps not) at how quickly you forget who you met where and what you talked about. Always take notes afterward on the back of business cards you receive. It doesn't look very good to a potential client to have you email something like "I have your card, but I can't remember what we were talking about specifically – what were you looking for in a proposal?" If you weren't talking about a specific thing, but just got a card as part of an interesting chat, at least note where you met the person, such as LISA '00 or AMW '01. That can be a mnemonic jog for you to mention when you find that you want to contact the person. This is especially helpful if they are more of a prominent figure than you are, and thus less likely to remember you. By the way, some individuals and some cultures think highly of business cards. These folks will take it very negatively if they see you marking your notes on their card, whether it's on the front or the back! The best time to create those notes is between conversations, in private.

Most individual consultants will not find it economically worthwhile to do physical or online advertising of their business, beyond having a Web page and business cards. One important exception to this is local advertising within your professional, religious, or social community newsletters. Most newsletters will allow you to reproduce your business card for a minimal fee, and are targeted very specifically at people who probably already know you but may not know what you do: your church, your parent-teacher organization, a local charity newsletter, etc. People providing traditional services, such as medical, legal, or accounting services, are most likely to find customers by this type of advertising, but if you live in a high-tech community you may find it generates some valid leads. Joining local professional organizations at the higher corporate/business rate may also allow you to put your business card or logo in their newsletters or on their Web sites, and prove valuable.

The one notable exception to physical advertising is the creation of one-page trifold fliers to put on tables at conferences, user group meetings, and other similar events. These are easy to lay out with your choice of editing tool, and are more appealing to most businesspeople than the same info on one flat printed page. If you are providing end-user consulting services on any basis, from expert witnessing for trial lawyers to home internet debugging for individuals, a physical flyer may be one of your most important ways to reach people. Your potential client base will probably not think to look online to find you, and if they do, they will be confronted with a huge array of choices and no real idea how to choose. By leaving your flyers in places where your client base does business, with the permission of the business owner, you are pre-screening yourself as someone who is trusted to some degree by a provider whom your client already trusts.

Depending on your target client market, you might want to leave fliers at your lawyer's office, veterinarian or medical clinic, neighborhood shops, on community college bulletin boards, and so on. If you are printing your own flyers in small batches, and one of the business owners or workers is a client, ask if they are willing to have an attributed sentence or two visible on the front of the flyer. Give them an especially good deal, or comp them some time or service as a way of thanks. One good way to handle this is to ask them while doing the invoicing for your work with them, and put a very visible discount or itemize something as "No charge this time, thank you for your support" on the invoice. If you provide services to businesses which are themselves service providers, such as accounting firms, billing services, printing shops, graphic design firms, and similar, you may find that leaving flyers at these clients will bring inquiries from other businesses who use their services. Maybe the last billing-systems consultant was a total wash, and one of the HR staff mentions it to the folks at Acme Printing when ordering the latest batch of new-employee packets. Wouldn't it be great if they said, "Hey, we had someone really good in here a few months ago to straighten out our billing system, and they left us a few flyers. Want me to put one in with the packets when we deliver them?" Obviously this approach doesn't work for all types of consultants, but for the ones to whom it's applicable, it works wonderfully.

. . . and Internally

Telling your friends and colleagues about your availability, if done tactfully, is a good way to network. When you consult, you hate to turn down work but sometimes you are too busy to handle a new committment. Using the principle of "never turn folks away empty-handed," the best thing to do is to see if anyone who you trust might have some spare cycles, and perform an introduction if appropriate. I have both offered work contacts and been a recipient of offers by consulting peers. When I am open to new gigs, I will usually send a short individual note to four or five respected peers letting them know that I am available to refer work to, or to subcontract work with their clients. Since a client will often just use whomever they have in hand for additional work, it's important to be open to subcontracting via another consultant. This respects their history with the client and allows them to keep control of that relationship.

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Conversely, when a peer offers to hand a client off to you completely, it might be a good idea to inquire into the details. Perhaps the client is a difficult one, or has a history of friction with its consultants. Sometimes it's just a personality or work-style thing, and not something to worry about substantially – unless you have a similar personality or work-style! Usually anyone with whom you have a working relationship such that they are offering client contacts to you will not offer to hook you up with a client who won't work out. They want to preserve their networking too! It's always a good idea to at least lift the hood and hear the engine run, though. Go through your standard pre-client checklist and do your due diligence, just as you would with any "off the street" lead. The difference is that you can be much more sure that it's worth your time to do so, since it's a referral.

Sometimes you'll be competing with colleagues to bid a job, but you get used to this. A big part of a professional attitude is to not let your working relationship be affected by things like who ended up getting the job. You might also be approached to help someone put together a team bid on a job. Offer to help with the paperwork and footwork, but don't try to grab control of the bid process from your colleague, even if you think you'll do a better job. Word gets around about who is hard to work with and who can be counted on to stay professional.

Follow-through is also crucial. I have learned the hard way not to take on more than I can handle. It is not uncommon for it to take two to four years for someone to give you another chance if you flake on something – nor is it guaranteed that you will ever be given a second chance! Think about that every time you're tempted to lose your temper, make a fuss about something, commit to something, or leave something undone "until next week, when I have more time." Just like folks usually learn how much to drink (and not drink!) in college, you'll learn, generally the hard way, just what kind of a workload you can handle. At least you'll be thinking about it while lying

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awake at night, rather than while on your knees on a cold tile floor! You'll also get a firsthand experience with the amount of overhead required to run a consulting business, a topic we'll cover more fully in the next chapter.

It's also worth thinking about what kinds of work you find stressful in and of themselves. I don't get out much, but I hate to think that I *can't* make plans to do so. Thus I find 7x24 ongoing operations work to be inherently more stressful than most other kinds of work, even those where I am on-call 7x24 during the build-out phase of a project. I know that responsibility is going to end, and that there won't be a drop-dead emergency involving thousands of customers and millions of dollars, ticking away every second that I haven't responded to my cellphone. Yeek! On the other hand, put me in multiple daylong planning meetings with corporate execs and high-level managers, and I won't turn a hair – I actually find that to be a lot of fun! Many folks I know work 180 degrees out of phase with that, and enjoy knowing that they'll be called on to save the day (or prevent themselves from ever being called, by their skill in managing the systems), but can't stand meetings or dealing with VIPs.

Time Off the Top

Suggestions for maintaining time for a personal life and hobbies are welcome! This is definitely a case of "those who can't do, teach." At least, that's how I feel most of the time, though in the course of a year I read dozens of books, do specialized digital photography (flower closeups), scuba dive, do the footwork for a weekly social dinner group, etc. My "secret" may simply be that we don't have kids, just cats, and that our ideas of housekeeping are somewhere closer to graduate student than to Martha Stewart. Practice is another factor. I have much more of a life than I did five years ago, and infinitely more of one than I did ten years ago. There is no right answer, merely an eternal juggling act. Why bring it up? Because when you start bidding out your time and giving binding hourly estimates, you need to factor in the time that you need to just keep up your skillset and to take care of critical business and personal issues.

I find that I spend 10–15 hours/week staying on top of mailing lists, Web sites, and general "whatever" tech over and above what I can bill for, just to keep myself "in the game" as it were. I am fortunate not to have any major medical problems (knock on wood), but I know people who have to spend several hours a week in transit to doctors' offices for allergy shots, RSI physical therapy, and similar things.

Then there are the non-business, non-personal items. I have responsibilities to two organizational boards, a local sysadmin group (BayLISA) and a national group (SAGE). I generally have at least one workday conference call or document review request per week, plus off-hours meetings twice a month which require some prep work. [*As of the time of publication, Strata Chalup had resigned from the SAGE Executive Committee – Ed.*]

Last, but by no means least, there is the overhead of the consulting itself – doing invoices, writing proposals and statements of work, etc. A detailed statement of work for a standard 250-400 hour contract may take 8-10 hours of solid work to put together the first time. The next one for a similar job could take three to six hours, depending on the similarities, how well you've set up a template, and how comfortable you are with generating text in that kind of mode. If you haven't seen and worked with similar documents much, it may take more time than you think.

If your particular line of consulting includes presenting tutorials at conferences in addition to more conventional work, you may find yourself putting in even more overhead than you bargained for, despite best estimates. Even if you have taught the material previously, you will need to update it annually and practice your presentation with the updated material. You may need to re-propose it for each conference at which it is being considered for inclusion. Make sure you are setting your rates and priorities to allow for the prep time and for responding to proposal deadlines – many of which may come during hectic times at your regular contract. It all adds up!

Practice "preventive maintainance" with your family as well as on the job!

Crunch!

One solution I have used is to redline when I have a crunch and then catch up with everything else by billing less time when things are less urgent. For instance, this spring I spent a fairly grueling six weeks of preparation for a hard external deadline at a client, namely performance test benchmark results and a presentation for a large annual meeting. Following this endurance run, I only did 78 billable hours over the four weeks from Feb 18 to March 19, essentially cutting down to roughly half time for a month.

Was that a Bad Thing? It could have been, if I hadn't made the effort to prepare for this kind of situation in advance. The initial contract I had set up specified a number of hours for the project and set dates for specific milestones. Part of the reason for the crunch was that we were trying to accomplish about nine weeks worth of work in six weeks, due to delays in getting the contract signed by the company's CFO, who was on vacation over the December holidays. I was up-front with the client and checked in every few days to make sure that nothing was burning down. I kept up with the day to day responsibilities, but slowed progress on the next big projects. And, of course, I'd just saved the bacon in a big way over the previous several weeks. So it was a bit unusual but it was okay – because of the way it was handled.

If you are careful with your client, you should be able to arrange periods of slack time within longer engagements. This presupposes a contract longer than a few weeks, and clients who are not depending on your work as a critical path or gating item for some other project. Most clients will appreciate the reminder that you only bill for hours actually worked, and that your temporary focus of attention outside work will not negatively affect their bottom line.

"OK, I Have Time Now. Hey, Where Is Everybody?"

That takes care of your clients, but what about your family and friends? It's true that "they'll understand," but understanding isn't enough. After too many disappointments, understanding turns into resentment. Make time before the next stage, when resentment turns into a kind of cynical bitterness from which it can be difficult to win back the ground you've lost. "I keep trying to make up, but he/she just won't let it drop!" is a sad refrain one hears all too often. A good sysadmin solves problems that haven't happened yet. Practice "preventive maintainance" with your family as well as on the job! An ounce of prevention goes a long, long way.

We all have friendships that used to be close and are now "every now and then." In some cases, this is just what we wanted, and we may have breathed a sigh of relief! Most of the time, though, we miss hanging out with our friends, and wonder what we could do, or could have done, to stay in touch. Managing friendships is made even more difficult by the fact that your friends are usually your peers, and they are probably following just as insane a schedule as you are. Even if you only see them at conferences or technical meetings, at least try to stay in the loop. Send email now and then, with news about your life and family, and ask about theirs. It's a small thing, but it keeps the connections open between you.

You're a techie, so don't be afraid to make technology work for you. Even if you've eschewed day planners and PDA's with syncable calendars, you can still set up cron jobs for birthdays, anniversaries, friendly "whuzzup" pings to your buddies, and so on. Is it bogus or fake somehow to have your computer tell you to get in touch with your friends? Or does it show you care enough about them to make sure you don't lose track of how long you've been out of touch? It's up to you, and nobody else's business what makes it onto your calendar versus what you spontaneously remember.

One important caveat, which is pure common sense but which I see folks disregard all the time: make time to unwind! In fact, you should plan to make separate catch-up time for yourself, and catch-up time for other people, even family. These two are generally distinct items, since your version of downtime might be to curl up with a book and your partner or friend's version might be to go out and do something. If you take care of only you, or only them, eventually something is going to blow up unpleasantly. I've seen a lot of relationships fail that really didn't need to, but were pushed over the edge by consistent bad time management on the part of one or both partners.

Am I My Own Best Client, or My Own Worst Client?

Back to "you" again – are you making time to take care of yourself, watching how you eat, getting any exercise at all? It's so easy to go down that slippery slope, and then not get back up again! If you think that you'll have more flexibility and more time as a consultant than you had as a regular employee, I have good news and bad news for you. The good news is that you generally will, but the bad news is that it won't happen for a few years. Oops! When you are working for yourself, you find that there seem to be even fewer hours in the day, and that you seem to have much higher stakes in your to-do items. When taking an hour off to swim or jog three times a week could mean missing a deadline at work, that's big and bad. When each client is likely to "fire" you at the end of the job (or at least, not re-hire you), it becomes huge and horrific. Don't take on as much as you think you can at first. If you truly do end up with spare cycles, you can write articles for *;login:*, go for an extra day of jogging a week, or download that new CPAN module you've been meaning to check out. Err on the side of caution so that you don't burn yourself out, and don't make your "normal" schedule one that never leaves time for self-maintainance.

Unfortunately, I'm a great example of this. I came to California in 1991, already overweight. I was in moderately decent shape, since I worked primarily on campus for a few years preceding that, and was always walking from building to building, down to Central square for lunch, off to Harvard Square to shop, etc. I came out here and found that if you're not in SF or Berkeley, you drive everywhere. Period. I picked up about 10 pounds a year, for five or six years, and didn't really think about how that would add up. Now it's much harder to deal with!

This leads us to another "great truth" of consulting, but one that works just as well for employees: Knowing what to do doesn't mean you will always do it. Part of the art of what we do professionally is knowing what corners we can cut, since there's almost never both the resources and time to do things perfectly. In an ironic quirk of fate, this field tends to draw perfectionists like flowers draw bees. Whoops! You can beat your-

Bibliography and Resources

I've created a site which contains these links, as well as other resources which I've found useful: *http://www.virtual.net/Ref/resources.html.*

Steve Simmons, "36.8% Overhead or Money, the Bottom Line on Consulting". *http://www.usenix.org/sage/best.of/consultant/bottom-line.html*

Celeste Stokely, "Breadth of Vision – A Key to Successful Consulting". *http://www.usenix.org/sage/best.of/consultant/breadth.html*

Tina Darmohray, "SAGE Focus: Being a Consultant". *http://www.usenix.org/sage/best.of/consultant/editorial.html*

Mark K. Mellis, "Fifty-One Weeks" *http://www.usenix.org/sage/best.of/consultant/fifty.html*

Dave Clark, "Making the Jump: Moving from Permanent to Contract Employment" *http://www.usenix.org/sage/best.of/consultant/jump.html*

Shawn Instenes "My Own Boss" *http://www.usenix.org/sage/best.of/consultant/boss.html*

Janet Ruhl The Computer Consultant's Workbook, reviewed by Brent Chapman *http://www.usenix.org/sage/best.of/consultant/review.html*

Janet Ruhl's Computer Contractors' Site *http://www.realrates.com/* *http://www.realrates.com/links.htm* (some UK-specific links here)

Celeste Stokeley's Contracting Page *http://www.stokeley.com/*

Jeff Barr's Consulting Info Page *http://www.vertexdev.com/~jeff/consult.html*

Small Business Administration (USA) *http://www.sba.gov/*

IRS FAQs for Small Business/Self-Employed *http://www.irs.ustreas.gov/plain/tax_edu/faq/index.html#Cat12*

Useful Slashdot discussions on contracting.

Many were initiated by folks doing contract programming, but the discussions are general enough to be useful to any consultants, covering insurance, dealing with clients, caveats on billing, etc.

Contractor's Cut of Billing Rate? *http://slashdot.org/askslashdot/01/03/19/1149243.shtml*

Finding Legal Coverage as a SubContractor? *http://slashdot.org/askslashdot/01/03/01/2016217.shtml*

self up over a mistake endlessly, but are you learning from it or just doing drama on yourself? There's an interesting lesson in the Jewish attitude toward this. The Hebrew word that is often loosely translated as "sin" actually is much closer to "mistake," and comes from an archaic word that means "missing the target." When you miss the mark, you turn (teshuvah) to re-aim yourself. The capstone is that your turning is not complete until you are presented with a similar opportunity and succeed at not making the same mistake! Perhaps a more succint phrase is offered by a button I purchased many years ago at a science-fiction convention: "Oh no, not another learning experience!"

In Summary

Before you start consulting, think about what kind of work you want to do and what kind of business structure makes sense for you. Get familiar with paperwork – employment contracts, statements of work, tax forms. Figure out how much to charge, how many hours you are able and willing to work. You are creating an image of yourself and your business whether you mean to or not, so create a good one. Make sure to practice give-and-take with your peer community and the larger community.

Finally, remember that one of your motivations for working so hard is probably to earn a lot of money so you'll be able to enjoy good things. Make sure that you still have some sanity and health with which to enjoy them, and family and friends who aren't too neglected to share in the fun. You *will* make mistakes – learn from them and move on!

I am always happy to meet other contractors, and encourage other people to get into contracting. Only you can tell whether or not contracting will be a good fit for your work habits, lifestyle, and financial needs. I hope that this article builds on the excellent work done by others and provides some additional tools with which to make that decision.

Is There Still a Market for Contract Programmers?
http://slashdot.org/askslashdot/01/01/18/2242246_F.shtml

Group Medical Insurance for Contract Programmers?
http://slashdot.org/askslashdot/01/01/09/0918238.shtml

Ask Slashdot: Contract Programming
http://slashdot.org/askslashdot/98/11/10/1242214.shtml

Ask Slashdot: Employees or Contractors?
http://slashdot.org/askslashdot/99/09/09/0022211.shtml

I know there's even more good information out there, so send me your favorite links or resources, and I'll update the Web area at *http://www.virtual.net/Ref/resources.html* Resources which are non-US specific are especially welcome.