

Week 4 Lecture 12

Business

Helpful Resources

- <http://letsfreckle.com/>
- <http://www.apimac.com/>
- <http://audacity.sourceforge.net/>

What's in this lecture?

- Invoicing Clients
- Keeping track of hours and work completed

What's in an Invoice?

- Must haves:
 - Client's name and address
 - Date
 - Invoice number
 - Terms (net-15, net-30)
 - Your name and address
 - Work completed
 - Total Amount Due

Common Mistakes

- Work should be grouped by project, and then by functionality
- If you reference external ticket numbers, include summary of work
- Price per line item is almost never wanted
- Excel doesn't highlight spelling errors

Hours: Strategy I

- At the end of every working day, fill out log of hours
- Rounding to quarter or half hour is OK

Hours: Strategy II

- Every 2 hours fill out what you did to a log
- Aggregate at regular intervals and if asked, update the client

Hours: Strategy III

- Start timer whenever working and make a note. Stop when finished.
- Modification: I make playlists that are specific time intervals long. I then use Audacity to splice in chimes at the half hour and 15 minutes to go. I work single-minded for the duration of music.

Hours: Strategy IV

- Write tickets for every bug and project component. Log hours under tickets.
- Create new tickets for new bugs/ functionality.

Understanding Inflation

- Ideal is 1:1 for hours billed / worked
- Reality is that you'll have inflation -- its OK!
- An hour where half is spent reading news and half is coding is not a billable hour.
- Ensure that your hours spent working meet a predetermined minimum wage

What does this mean?

- If your inflation is 1:2, and you establish a minimum wage for yourself of \$40/hr, you'd bill at \$80/hr
- Let's say the market doesn't bear you working at \$80/hr, instead
 - reduce your inflation
 - increase your estimates

Fudge Factor

- Often times you start a problem and take your sweet time: learning a new technology, experimenting, reading.
- Recalculate your inflation: 1:4? 1:3? and bill accordingly.

Getting Paid

- 50% up front for new clients
- 25-30% up front for trusted
- Bill at minimum 2 week intervals, maximum 4 weeks
- Ask for checks and deposit immediately
- If the check doesn't clear, stop work.
- If you accept PayPal, include fee for client on invoice

Trouble Spots

- From my own experience:
 - Clients will try electronic payments, and then blame the bank.
 - Clients will refuse to pay until their version of work is completed
 - Clients will not have money and not tell you until the next billing cycle
- Understand: you cannot take back what is already delivered. Only deliver what you are comfortable risking on clients ability to pay

What to do if in trouble?

- Stop work
- Talk to a trusted resource: another contractor, a family member, mentor
- If client doesn't budge, begin to offer avenues for exit: splitting the difference, reorganizing work and payment schedule

Best Advice

- If you find a good client that pays on time and gives you good work, stick with them and work for their contacts