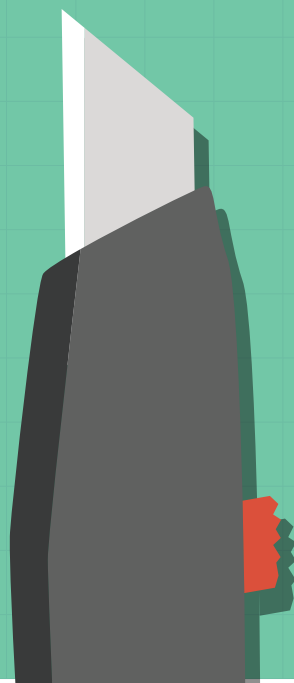


# PAY ME OR ELSE!

Lior Frenkel



# Pay Me! Or Else...

Everything You Need To Know  
To Deal With A Non-Paying Client

Brought to you by



## **The Legal Stuff**

I wrote this book in order to provide information and share my personal experiences to the freelance community.

The content of this book is based solely on the personal and shared experienced of myself and my peers and do not necessarily reflect the official policy or position of anyone with legal standing.

I tried my best to make this book as accurate as possible, but it serves only as a general guide. This book contains information that might be dated and my intention is only to educate and entertain you. The nuSchool and I hold no liability or responsibility to any person or entity regarding any loss or damage incurred, or alleged to have incurred, directly or indirectly, by use and application of any of the information and/or content of this book.

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# About The Author



## **Lior Frenkel, Co-founder of The nuSchool**

Lior has been freelancing for years building websites. He has met every possible type of client & learned how to make the best of every project. These days he's consulting, blogging & speaking around the world.

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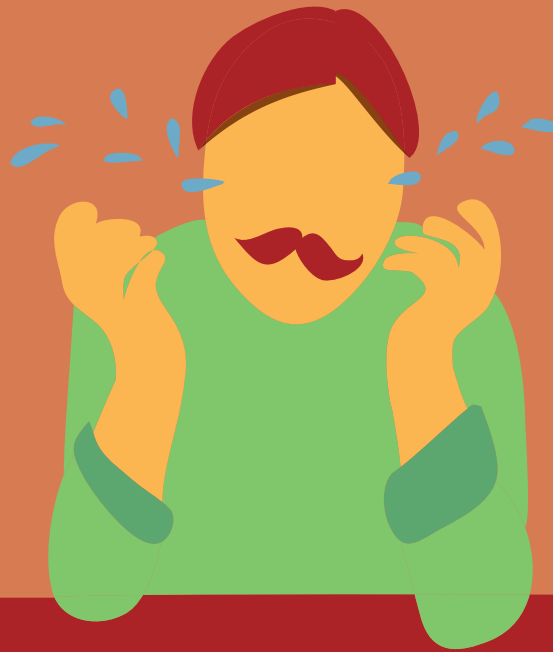
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PREFACE

# Screwed Yet Again, But For The Last Time!

# Preface

I want to set a scene for you: a moment made for reality television, plucked directly from my own life. It's 2 in the morning and I am pacing back and forth in my room, unable to fall asleep. I'm angry. An empty whiskey glass sits on my desk, poised next to my iMac – where the need for that glass first arose. I thought that by drinking it, perhaps this issue would simply sort itself out. That the warmth of the bourbon coursing through my veins might somehow counteract the seething rage I am feeling over a client unwilling to pay his debt.

But, no. I'm still angry. And still out money I am owed.

For two months, I busted my ass for Mr. Sinister. AKA, my client. AKA, the man who was so excited about my work, and who got me so excited about building him a website, only to completely disappear once the work was done and the invoice submitted.

As a freelancer, I know you've been there before. You did your part. You completed contracts, clarified specifications, and delivered what was expected – on time and to completion. You have no doubt you fulfilled your end of the bargain, and no one in the industry would question your work. But now, you're stuck with a shitty client who can't even give you the courtesy of responding to your e-mails. Not even the last one, which you hired a lawyer to send.

OK, so it probably wasn't an actual lawyer. We're freelancers, after all – we can't afford the ridiculous fees most lawyers charge. Particularly when we have clients who aren't paying their bills in the

first place. In my case, it was my girlfriend, who works as an intern at a law firm. But Mr. Sinister doesn't know that.

Yet still... the asswipe refuses to pay.

That night, exactly two years ago, I made myself a promise. It was a simple promise, borne of a desire to rid my life of clients like Mr. Sinister once and for all: ***Never Again***

Never again would I let this happen to me. Never again would I pour my blood, sweat and tears into a project, only to come up shortchanged in the end.

I would never allow a client to screw me over again. And I would do whatever was necessary to keep that promise to myself.

I never did hear back from Mr. Sinister. No e-mails. No phone calls. No carrier pigeons. I tried a few more times on my end, but never got any reply. I also never sued him, mostly because I didn't have the time or energy to do so. And because I knew that even if I won, it would take years before I saw that money – and I would somehow have to cough up fees for a lawyer in the interim.

Suing would wind up being more work than it was worth.

And let's be honest: clients like Mr. Sinister know that. They do what they do, because they are fully aware of the fact that our power to enforce the contracts they sign is extremely limited. They take advantage of contractors who don't have the resources to fight them.

I didn't have the resources to fight Mr. Sinister. So, I let it go. But you can bet your ass that I kept that promise to myself. I never allowed it to happen again.



If you've been in the [freelance design business long enough](#), and if you find yourself sitting here reading this book now, it's fair to assume this has happened to you. And if you are anything like me, you probably freaked out. Just like I did that fateful night. You may have even poured yourself a glass of bourbon to drown yourself in.

Or wine. Or beer. Or vodka. Whatever your poison may be.

*Why did I ever [start this whole freelancing thing](#)? You found yourself thinking, *I'm not built for this shit. Dealing with liars, thieves and cheapskate clients. I should have been a lawyer, just like my mom wanted. Those bastards make all kinds of money. Or maybe I could have worked as a teacher. At least they are paid on time.**

Yeah, you probably had all kinds of crazy thoughts right along those lines. I mean, a teacher? Would you really want to give up your autonomy and flexibility for that?

Well, maybe you would – particularly if you have been screwed over enough. But that's the point: you don't have to put up with that shit. You can be a freelancer and still get paid.

You may not realize it, but you aren't alone in this treasure trove of injustice. Pretty much anyone in a creative freelancing field has had to deal with this at least once in their careers. In fact, [8 out of every 10](#) freelancers have had a client refuse to pay.

Still, as I was doing my research, I started to realize that it seems to happen more frequently to certain people, and almost never to others. Which led me to the question of why? And is it something we can control?

Are there actions you can take in order to decrease the possibility of a client skipping out on their final invoice?

The reality is, it doesn't matter if this has happened to you only once, or if it is a frequent occurrence. Because it only takes one villain client to ruin your motivation and affect your trust in and passion for working with other clients. That one asshole can make you lose faith in this entire way of life. They can make you question the dream you set out to fulfill in the first place.

Which is a shame, because there is no other lifestyle I would want for myself. No other lifestyle that would afford me the flexibility and opportunity to focus on my passions in the way that this one does. I'm sure if you're honest with yourself, you feel the same way – you wouldn't be here if you didn't.

This book isn't about [clients from hell](#), even though they certainly play a role in it. This book is about you. About us; the freelance community. And about the actions we can take in order to ensure we get paid for the work we do.

Consider this my playbook for [getting paid](#). I put in the time and research to compile this list of tricks that can get you the money you deserve. Some of them are less exciting, but include things we all need to know – like how to write contracts that will actually protect you. Don't worry, though, I've also included a few freelancer hacks that will blow your mind. You wouldn't believe what people can pull out of the hat when they are upset. Creative people come up with creative solutions, which is just one more reason why the freelance community could probably benefit from their own reality TV show! Because nothing is ever quite as fun as a freelancer on the path to vengeance.

Short of that, though, we have this book. And in the pages that come, I'm going to help you understand:

- Why clients are screwing you over.
- What you can do, both before and during a project, to avoid

non-payment.

- How to deal with a non-paying client when one does slip through the cracks.

Of course, organizing the book in that matter would be the conservative way to go. But since when are we creative people ever conservative? My mom never allowed me to eat the chocolate cake before I finished my main meal, and it always pissed me off. By the time I got to the cake, I wasn't hungry anymore. Which is a crying shame, because we should all be allowed to enjoy our dessert to the fullest.

My guess is, you're here because you have a non-paying client right now who is currently weighing on your mind. And because I'm a dessert first kind of guy, I'm going to let you start with your chocolate cake.

Let's jump right into how to get your money. Then, we can explore how to avoid getting yourself into this position the next time around.

Now is the time to make yourself the same promise I made myself that night way back when.

### ***Never Again***

I'm going to show you how.

If we unite, as a community of freelancers, we can stand as one against all those horrible, non-paying, clients. We can help each other by working together to make sure freelancers are taken seriously by all clients. So please, pass along this book to friends in the freelancing community.



PART ONE

# Show Me The Money!

## Chapter 1

# It's Time You Paid Me

So here you are, looking at your empty bank account and on the verge of freaking out. Contemplating what to do about the client who has still failed to pay, for the job you were counting on to cover your rent with. I mean, if you hadn't been counting on that money, you probably wouldn't have dropped a few bills at the bar last weekend. But that's another story for another day.

The point is, you're in trouble. And your client? They're MIA.

Let's figure out what to do next.

### **Know Your Rights**

Personally, I never want to go to court. Sure, I invest a lot of time and effort into ensuring I have written great contracts, but that is more about communicating expectations than serving as a backup in a lawsuit. Because as we've already discussed, who has the time or money to fight this stuff legally?

None of us creates contracts with the intent of winding up in court one day – we do it as a stopgap, to make sure everyone is on the same page and to hopefully leave clients feeling obligated to pay. Which, of course, they should.

Still, when you email or call your non-paying clients, you want to know your legal rights. You want to know that contract could

actually protect you, should you wind up in court, so that you can make sure they know that as well.

So let's get into the nuts and bolts of contract legalities first. Legally speaking – what is a contract between two people?

You might be surprised to know that a [contract doesn't have to be written](#). In fact, a verbal contract can hold just as much weight in a court of law as a written one.

Yes, you read that right. A verbal contract is valid, so long as it includes these three factors also required of a legally binding written contract:

1. An offer
2. An acceptance of that offer
3. A consideration

The first two are obvious, we all know what an offer and acceptance of that offer mean. But what is “a consideration”?

Well, it's simple. A consideration means that, “I will do this if you pay me for that”. It's just both sides agreeing that the production of X will result in the payment of Y.

And that's the thing – [you're not working for free](#). This isn't you doing a favor for a friend or volunteering over at the soup kitchen in your free time. You're putting in honest work for honest pay. Your production of X should result in the payment of Y. And as long as you and your client both agree to that up front, you have your consideration.

Now, the tricky part comes with proving that you have a contract with your client. This is where the benefits of a written contract come into play. If the agreement is in writing, it's easy to prove it

exists. But how can you prove a verbal contract? Or one that was somehow created in-between dozens of emails?

## **"I Don't Have A Contract."**

Let's be honest: I wouldn't recommend ever relying on a verbal contract as being something you can enforce. But if the entirety of your [contract negotiations](#) takes place with your client over the phone, let's at least hope you thought to use one of those call-recording apps.

This can actually be beneficial for you for all of your [client calls](#), even if you have a written contract in place. In fact, I have been using one myself for the last year, as it allows me to maintain a record of all client communications and instructions. Some of my clients know I record their calls, as I tell them (and smile to myself) during that first introduction. Others are probably finding out about it right now.

Hi there!

But let's just say that, for whatever reason, you didn't think that far ahead. What if you met face-to-face and didn't record the conversation?

Then, you need to ask yourself if there is a possibility that someone overheard the agreements made between you and your client and can back up your claims. Because without that, it becomes a twisted case of he said/she said that can be a little more difficult to win.

Still, absent a written or recorded contract, you can still legally prove a contract on the basis of the actions of both parties. For example, if your client claims the two of you never agreed to the

work being done or any payment being exchanged as a result, but they accepted and commented on website mockups you sent them – it's easy enough to prove they are lying. After all, why would they send you requests for revisions otherwise? Out of boredom? Just for kicks? I don't think so. And most courts probably wouldn't either.

In a perfect world, you would be maintaining records and contracts all along the way. But in the real world, you may find yourself in a situation with a non-paying client and none of that already preserved. In that case, back up every bit of communication you have had with your client immediately. Text messages, emails, even phone records and Whatsapp screenshots. Whatever you've got, take the time to save it now.

For whatever it's worth, I personally never use Whatsapp with clients because it's hard to document. Also, I hate to get a Whatsapp from a client when I'm sitting in the bathroom – but let's go ahead and pretend I didn't just give you that mental image.

## **Talk First, Shoot Later**

When you've dealt with non-paying clients in the past, it can be easy to jump to a panicked state whenever a client is just a few days late. Oh no, not this again, you think. And your instinct is to immediately do whatever it takes to get your money. To show up, guns blazing, and demand what you are owed.

But guess what? No one benefits from you threatening legal action or dropping f-bombs right out the gate. In fact, most people are bound to go on the defensive in a situation like that – and it is a surefire way to ruin client relationships.

Yeah, yeah... you may not ever want to work with this jerk again. But how you handle him or her now could absolutely affect



what they say about you to other potential clients in the future. Everything we do has a ripple effect, and sometimes... all you need are the kid gloves to get the money you deserve.

So for the time being, let's give them the benefit of the doubt. They might not be aware they're late with the payment, or that you're unhappy about it. Of course, they're supposed to remember they owe you, and you shouldn't be the one reminding them of that. This isn't kindergarten and it isn't your job to wipe their snotty noses after recess, either. But sometimes, clients just forget. It happens. Keep your cool, at least in the beginning. It is better to be smart and get paid, than to be right and broke.

First things first, follow up on your invoices. Make sure you actually sent them the invoice, and then go to your calendar and set up reminders for every 10 days after the fact. Once those 10 days pass, shoot them an e-mail and politely remind them they have an invoice due. For some clients, that's all it takes. For others, the every 10-day reminders shows them that you are serious – and that you will stalk them right into their dreams if you have to.

A few months ago I gave a workshop in a design studio, teaching attendees how to build websites with a cool new web app. After the workshop was over, I sent the invoice to the contracting client and waited for the payment like a good kid.

Nothing happened.

Fifteen days went by, and still nothing. So I wrote an email to the secretary of the studio. She forwarded it to their accountant, who then replied that they typically paid invoices 30 days after receiving them. I was cool about that because it was in accordance with their accounting protocols, and would still be in line with our contract. .

But then those 30 days went by, and the money still wasn't in my account. I emailed the accountant again. This time she didn't reply. So 10 days later, I emailed her once more and cc'd the secretary. Still, no answer.

Were they too busy to respond? Or were they trying to get away with not paying? I felt anxious, that familiar sense of dread over non-payment creeping up within me.

*I'm not an enforcer, I thought. Why do I have to fight people to pay me for work I've already done?*

But experience had taught me that going straight for the jugular never really produced the results I was looking for. So instead, I took a deep breath and sent a third email - this time directly to the head of the studio. This was the same guy who had contacted me in the first place with the idea for the workshop. I cc-ed both the secretary and the accountant when I wrote:

*Hi Joe,*

*Have you guys already moved to the new space you were telling me about? I hope all goes well with that!*

*I have something I need your help with - I still haven't been paid for the workshop I ran at your studio. I sent the invoice on June 3rd and a reminder email on July 4th, July 16th and a week ago.*

*Your accountant got back to me initially, saying the invoice should be paid within 30 days. But it has now been **51 days** since I sent the invoice, and still no payment.*

*I feel uncomfortable sending this email - I was sure your studio was professional and that our original agreement would be honored. I am still hoping this is simply an oversight and can be easily rectified.*

*What's next?*

*I hope you have a great weekend, and I look forward to hearing from you on this matter soon.*

*Lior*

I want you to pay attention to a few important details from this e-mail:

1. I wrote down everything that had happened up to that point. Listing out the steps I had taken showed that I was on top of things, and that this was important to me.
2. I cc-ed the people I had already contacted. Sure, it's kind of like ratting them out for not doing their jobs – but that isn't my bad. If the boss is the one delaying the payment, it doesn't affect the secretary or the accountant to have their names dragged into this. And if they are the ones responsible for the holdup? Well, then... their boss should know. You, as the contractor, shouldn't have to protect incompetent employees.
3. I hit a nerve by mentioning the lack of professionalism. This was intentional, touching on a sensitive point – their reputation.
4. I still maintained professionalism on my own end, beginning and ending with pleasantries. Basically giving them the chance to resolve the issue with things still on mostly pleasant terms.

I could have written phrases like “I’m angry!” “You bastards!” or “Give me my money!” Those are certainly sentiments most of us would want to express. But doing that would only ignite a war of words. If you want a client to respond professionally (and to give you your money!) you sometimes have to set the example first.

This is the email I got that same day from the head of the studio:

*Hi Lior,*

*I'm sorry to hear that we got to this point. I wasn't aware you hadn't been paid. Thank you for alerting me to the issue! I will make sure the check is on its way to you by the end of today.*

*Sorry about that, hope to work with you in the future again,*

*Joe*

There was no CC on this email – neither the secretary nor the accountant had been included. So I don't know who was responsible for the delay, but I actually don't care. The check was in my mailbox within 72 hours and I went on with my life.

It could have been that the accountant was too busy to handle my payment. These things happen, clients get busy. So remind them about your payment, and don't expect them to remember themselves. Remind them frequently if that's what it takes, and don't be afraid to go up the chain of command. Because you want to make sure the client is well aware you're unhappy and has the opportunity to fix it, before shit really hits the fan. .

## **Bringing in the Big Guns**

But what happens if your attempts at playing nice get you nowhere? Maybe going up the chain of command is still only producing silence? Or perhaps you are working for a smaller client who doesn't even have a chain of command to follow – they are it, and they aren't responding. Then what?

If you have the budget for it, hire an attorney to send your client a letter. A great attorney by your side, can help you reduce the chance of having a non-paying client, as Mike Monteiro teaches us in his famous ["Fuck You Pay Me" lecture](#).

You see, non-paying clients are typically cowards. They aren't paying you, because they think they can get away with it. They think you are weak and easy enough to ignore. So if months go by and your reminders remain un-responded to, it's time to step up your game and scare them a little.

Such a letter should state that the client is in breach of contract and you have no choice but to withdraw your services. Your lawyer will state that you will be instigating legal action on a specific date and they will be responsible for all debt recovery costs.

Obviously, having a written contract can make the threats of a lawyer even more frightening. ("Starting work without a contract is like putting on a condom after taking a home pregnancy test," [says Monteiro](#)). But even without that, some good legal jargon can intimidate a non-paying client enough to get them to cough up what they owe.

If you don't have the budget for hiring an attorney, this is where having a friend (or girlfriend) who is a lawyer (or who isn't afraid of pretending to be one) can come in handy.

But in this case, be damn sure that what is sent is as authentic as possible. Because if your client catches on to the fact that you are just playing pretend at this whole contract enforcement thing – they will laugh you off and never pay a dime.

On that note, don't ever make the mistake of impersonating a real lawyer. It might seem like a great idea at the time, but the last thing you need is to get sued for fraud while in the process of trying to avoid suing someone else.

## And Then, There Are the Enforcers

Debt collectors have a bit of a bad wrap. They are perceived as being ruthless and nasty, and certainly aren't the nicest people to have on your side. But you know what? When nice isn't working, you need someone willing to go a little more cutthroat in the collection of your money. You don't want that blood on our hands (those pristine hands you use for that beautiful design work!) so let a debt collector do it!

Besides, you might be surprised to find that most debt collectors are not as evil as you imagine them to be. They keep their teeth clean and their hair washed. They aren't necessarily emblazoned with tattoos and scars of victory. They can be people who look just like you, but who have ten times the patience you do. Patience that permits them to call, text and visit your client relentlessly until you get paid. It is that enforcement that will eventually convince your non-paying client to just write the check – just to be rid of that ever-present collector breathing down their neck.

There are more than 6,000 small debt collectors in the US alone. And there's a new method for handling that enforcement that can be pretty flawless. It's a Startup called [TrueAccord](#). I haven't used them myself, but have heard good things. These guys will help you collect your debt with their smart online app. Using machine-learning and smart algorithms, they automate the whole process. From the moment you give them the details of your project, you have nothing to worry about. If they get you your money, they ask for 33% of the payment. That might sound like a lot, but it's still better than 100% of nothing. And if you have gone through the process of trying to play nice, and of bringing a lawyer on board, and your client still isn't paying? Hiring someone else to do the dirty work can be totally worth it in the end.

## Chapter 2

# Or Else...

And then, there are the clients for whom none of the standard methods will work. They have nerves of steel, the ability to ignore just about anything, and no desire at all to pay. If you have a client who still refuses to answer your calls, emails and text messages, it's time to get your hands dirty.

The following tactics are inappropriate. They are immoral, and you need to have huge balls to pull them off.

So do me this one favor: make sure to read through to the end of this book before you try any of these. They should be considered your last-ditch efforts.

### **Airing Dirty Laundry in Public**

Publicly shaming a client can be extremely effective, but you have a lot to lose.

Most businesses have an online reputation they care about. In fact, that might even be why they hired you in the first place – to design a website, or create content, that could help to boost their online reputation. So doing anything that might affect that, or that could mar their search engine results, is a big motivator for most clients to pay.

I have a friend who is a bit of a hothead, and who was dealing with a client who not only wasn't paying, but who was almost mocking my friend every time he responded to one of his e-mails. So what did my friend do? First, he posted all of their e-mail exchanges to his own blog. Both the rave reviews the client had initially given and the asshole responses where this client claimed he had no intention of paying and mocked my friend for not being able to do anything about it. Then, he did a search for the client's company, and went through page by page leaving comments wherever he could. He told people what a jerk this client was, urged them not to support the business, and directed them to his blog post.

The client was furious and humiliated, but he agreed to pay if my friend would agree to erase everything. My friend waited until the check cleared and then held up his end of the bargain.

The downside? Any potential client who came across this exchange prior to it being all handled and deleted probably would have been scared away from working with my friend. Even honest, paying clients shy away from working with contractors who seem willing to cross such unprofessional lines.

So this is a proceed with caution option. You really need to make sure that getting paid what you are owed is worth potentially harming other professional relationships.

But if you've decided it's worth it, start by going on Facebook, Twitter, and any other social media your client hangs out around. Find their profiles and pages and subscribe, follow and connect. Then tell everyone that they're assholes. Tag them when writing about how they've ignored your calls, emails, and requests for payment for the work you've provided.

The bigger your client's social presence, the more effective this



tactic is. You can tag them and make sure their clients see they aren't as fair as they portray themselves to be. Credibility and quality reputations can take years to build and only hours to destroy (thanks to Mark Zuckerberg and his friends). So touching this sensitive corner can get you quick results. But you need to be sure you are ready to really hit their business where it hurts. Reserve this only for the biggest of assholes. Destroying someone's business reputation is something that should never be taken lightly, and these things have a way of snowballing. Some damage can't ever be reversed.

## **If You Must Threaten, Do it Smartly**

I don't think it is ever the smartest move to threaten anyone. But if you must, there are some ways to make threats that are better than others. I know some of you have shorter fuses than I do and are willing to take extreme measures. For you, this could be one option.

I found this nasty trick for making your client pay in Mark Collins' [blog](#). He is an experienced, talented designer who had reached his threshold for dealing with non-paying clients. So he came up with something a bit extreme. A "last resort" that he used only twice in his career, when he'd been "fucked by a client".

He sent one last email to the client, who he refers to as PigClient:

*Dear Mr. PigClient*

*You are using my work but have refused to pay me and you are clearly avoiding my communications.*

*I have just launched [pigclient-warning.co.uk](#) and here I will document proceedings. Also, as a Webmaster I will use my considerable SEO skills\* to ensure that [pigclient-warning.co.uk](#) is the first search result for anyone looking for your own website. I feel it is in the public interest to*

*openly document this.*

*To end this today you could pay my final invoice and I will immediately remove the page. That will be an end to it.*

*I have attached a revised final invoice to include the cost of buying pigclient-warning.co.uk plus a £50 admin fee for writing this email.*

*Regards.*

In both cases, the bill was paid within the hour. Bang!

Mark himself [does not recommend](#) you use this method, explaining that your client could easily sue you. Yes, it worked for him on two occasions. But that isn't a guarantee it would work for you. So think very hard before going this route.

## **What Would Tony Soprano Do?**

This method works in cases where you are not only the designer of a website, but also responsible for the development. When that happens, don't give your client the code until he has paid. Plain and simple. Run his website on your server, and make sure he knows that if he does not pay, you will shut the site down.

Beware of this move - you might hurt his real business and then get sued. It's better if you do it like Tony Soprano. Let him know you can break his legs, so that he pays before you really have to break them.

As with all the other extreme measures mentioned, there is no way back once you reach this point. Your client will probably hate you until the end of time. They will never recommend you to anyone else. So keep that in mind before you act.

A front-end developer pulled this exact move on a client in 2014.

The client had missed a single payment of 29 Euros. The developer then decided to [show off his move](#) at the “designer news”. Read the responses he got from the community to understand why this is a questionable move, at best.

So yes, these are all last resort methods. And hopefully, if you read through to the end of this book, you can avoid having to pull any of them.

Which brings us back to where it all starts. Let’s talk about why your clients aren’t paying you in the first place.



PART TWO

# Why Won't You Pay Me?!

# Reasons For Not Getting Paid

There are a lot of lessons our parents try to teach us as kids:

- Treat others as you want to be treated.
- Eat your peas.
- Put yourself in the other person's shoes.

It's that last one I want to focus on for a moment. If there's one thing I hope you take away from this book, it's that getting into a client's head can help you avoid most of your problems with them.

There are many different reasons why clients don't want to pay us. And it's not all because they are bastards. I mean, yeah, some of them are. Dirty, rotten, evil bastards. But most are just like you and me; people just trying to get by. If we can put ourselves in their heads, it becomes easier to understand what is happening. Which not only allows us to come up with a solution, it also helps to prevent the issues in the first place.

## **They Don't Think You Did Your Job**

Look, we have all been in this position: faced with paying for a service that we don't feel was done correctly. Maybe it was a bad haircut, or trying to determine what to tip a shitty waitress. The point is, not wanting to pay because you don't feel as though you are getting what you paid for is a normal reaction that most people experience at least a few times in their lives.

The problem is, judging creative work on that spectrum is fairly subjective. If my refrigerator breaks, I call for a technician. From there, it is very easy for me to decide if he did his job or not. If the fridge can cool down my beers and cheese - he fixed it. He deserves a fair payment.

But creative work is not like fixing a refrigerator. There is no standard way to measure whether the work is done or not.

Many clients, upon receiving a final product from you, won't like what they see. Some will think you just "didn't get them" and will be disappointed in your work. Others may have expected something else entirely. Revisions and iterations are a natural part of the design process. You go back to your desk, and make changes until your client is happy. Or until the number of previously agreed upon revisions has been reached.

But what happens if you are dealing with a client who doesn't seem like they will ever be happy? It may be the tenth time you've gone back to the drawing board, and you are reaching the point of not wanting to do any more revisions. After all, your time has to be worth more than this, right? It's not that you don't get them – they don't get you!

Either way, the client's not happy with your work. And because they aren't happy, they don't think they should have to pay. They didn't get the design they wanted. They feel like you didn't fix their fridge. And they are telling you they have to hire someone else to do the work now, so why should they pay you?

If you're anything like me, you must be furious by now. *Doing creative work is not a like fixing a fucking fridge!*, you're thinking.

But take a breath before you crack your MacBook screen and try

to get into your client's head for a second. They might not be used to working with creative people. Up until now, they have only dealt with very cut and dry exchanges of money. They pay for a pair of jeans and they get a pair of jeans. They pay for a technician to fix something and he fixes it. Simple.

So it makes sense that they would feel justified in not paying you, if they didn't get the final product they thought they were paying for to begin with.

Which is why it is your job to explain to your clients what to expect from the very beginning. You must teach them that they pay for your time and creativity. That there is no guarantee for liking your creative work. You will do your best, and will absolutely offer revisions up to a point, but they chose you because they liked your portfolio and your style. That is what they are paying for. You can do the work based on what they tell you they want, but there are no guarantees you will be able to exactly match their vision.

Explain to them that they should trust you, that you know what you are doing, and that you want the best for them and their business. But if they can't do that, they shouldn't be contracting with you in the first place. Because in the end, they will be paying for your time and creativity. Regardless of how they feel about the end product.

Also, ask yourself: Are YOU happy with your work? Do you think you did a professional job? Sometimes we just want to finish working on something that has already taken up hours, days or weeks of our life. We are tired or get bored of certain projects and just want to be done already. But then when we look back at what we did, we have to admit – it wasn't our best work.

In that case, you may want to take a break for a day or two from this project, and then look at it again and decide if it meets your

standards. At the very least, it needs to be as good as you promised the client it would be. After all, if you wouldn't use it in your own portfolio, how can you convince a client that they should pay for the work?

## **You Are Charging More Than They Originally Agreed To**

This one is especially relevant for those of you who are paid by the hour. Yes, you work by the hour, but clients still routinely ask for an estimation of how long the work will take. In this case, maybe you told them it would take about 30 hours. Then it took 45...

Now the project is pricier than the client expected, and they are upset and refusing to pay. Shouldn't be a problem because your rate was always by the hour, right?

Wrong.

Put yourself in the position of your client for a moment. It's not fun for them to see an invoice for 50% more hours than they originally agreed to. A reaction of, "I'm not paying for those extra hours!" is normal.

You know how you avoid this? You communicate with your clients. You explain prior to the start of the job that estimations are just that... estimations. You have language in your contract making it clear that the work required may be more than originally estimated. And you let them know well ahead of time if you are going to need more time than originally expected to complete the job. They should hear about it as early as possible, long before you even finish the hours you originally agreed to.

Then don't continue forward unless you have their approval. Anything short of that, you're just asking for trouble. For all



you know, your client may have a set budget they can't exceed. And if you wait until it is time to submit the invoice before you communicate, you only have yourself to blame when they refuse to pay for those extra hours.

All too often, a client may contact you mid-project and say, "Oh, I also need you to do X and Y!" Or they may e-mail you saying, "I'd like to see another version for this and that." That's cool, but it is another opportunity to communicate. Your response should be "Great, I can do that - no worries. It will probably take X more hours than we agreed on, though. Do you approve the extra work?"

It is always preferable to make these communications via an email, so that everything is well documented. That way when it comes time to bill, you are able to back up each and every agreement that has been made.

Granted, there are some clients who clearly prefer actual conversations to e-mail. And since we are in the business of customer service, there are times when you just have to follow their lead. But if you are having these conversations via phone or Skype, always at least be sure to quickly follow up over e-mail with what was discussed and to ask your client to send a short note agreeing to the changes you will be implementing. This way you still have what you need in writing, while also giving the client what they want with verbal conversations

## **Working With You Sucked**

While in the midst of working on a project, there is so much that can go wrong. Requirements can be misunderstood, you won't always get the client's vision, and sometimes – bad moods can result in angry e-mails that throw the whole dynamic off.

Just as in a romantic relationship, if you guys don't work on it, things can go badly and stay like that until the project ends. And an unhappy client, who feels as though they just don't like you as a person, can easily turn into a non-paying client. So even when there are creative disagreements, you still want to strive to maintain a good relationship with your client. You don't want small misunderstandings to snowball into a client who refuses to approve your work.

Remember, clients are people too, and business isn't always just business. What can you do?

## **They Just Don't Have the Money**

More often than you ever might realize, nonpayment is the result of true cash-flow problems. It isn't about them not liking you, or not being impressed by your work – it is about them not having the money to pay you.

Some clients make deals knowing that they won't be able to pay until they get paid themselves. This is known as a cash flow problem. They are supposed to use your work as part of a bigger job. When they get paid for that bigger job, only then will they be able to pay you.

In an ideal world, they would warn you of this up front and it would be part of their contract with you. In reality – plenty of clients are cowards and won't tell you this is their plan until after they have your work in hand.

Let's go over a simple example. Say a big branding studio took a project for a bank. The job is:

1. Create a new brand identity for the bank.

## 2. Build a website that includes that branding.

They do the branding themselves, then they hire you to design the website for them. When you're finished, they hire a developer to build the website you designed. Eventually, they deliver the bank a new, well-branded, well designed, well built website.

The branding studio is your client. But the bank is theirs. And if the branding studio doesn't intend to pay you until they are paid themselves, you are ultimately getting paid from the bank's money.

Is that ever a good excuse for them to delay your payments? No. You didn't contract with the bank, you contracted with the branding company. And the branding company should hold themselves to the terms you originally agreed to. No doubt.

But should you care? I mean, if you are going to get paid eventually anyway, is it really a big deal?

The answer is, yes! Absolutely! Because when you know ahead of time where problems might occur, you can make sure you don't get hurt in the process. Some clients will be honest enough to detail their cash flow situation at the start of a project. Others will do everything in their power to hide it. They want to delay their headache and hope for the best. If all goes well, they hope to be able to pay you on time. So they don't feel as though you are entitled to this information. But what if the developer isn't working fast enough and things get delayed on that end.

Why is that your fault?

Always make sure you know where the money is. Then protect yourself by untying your work from the cash flow chain.

Don't know how to accomplish that? Don't worry, we'll be addressing those intricacies soon.

## **The Project Went South**

Look, there will be times when a project becomes obsolete through absolutely no fault of your own. Things fall through, business ideas die, and clients find themselves suddenly unwilling to pay for work they no longer need.

Need an example? Let's say a client called you up all excited about a new restaurant he was opening, and hired you to design the menus. But somewhere between you starting work and submitting the final project, the restaurant idea went under. Maybe he couldn't get the funding or perhaps his business partner pulled out. It doesn't really matter why things went south – just that they did. And now you find yourself, two weeks later, presenting beautifully designed menus to a client who no longer wants them.

Let there be no doubt, this is a really shitty reason to try to get out of paying you. Your client entered into a contract for your services, and it isn't your fault his business fell through. If he couldn't have foreseen that possibility prior to hiring you, that's his bad – not yours.

But now he's miserable and has no budget to pay you. You might feel bad for him, understand what he is going through, and have all the compassion in the world for the dream he has lost out on. But you know what? You're still justified in being annoyed. Because you committed your time and are losing out on the money you are owed. That's bullshit.

This is another one of those situations that can actually be easily avoided, and we will discuss how soon. But the only thing that

matters in the moment is that you lost out on your time and money. And you have a right to be pissed about that. What can you do about it, though?

Well, for starters, don't get angry or personal. Instead, approach this non-paying client from a place of empathy before going on the warpath. You probably know how it feels to be tight on funds every once in a while. Express that to your client, and then try to brainstorm options and plans that might resolve the situation with minimal pain and unpleasantness. For instance, can a payment plan be arranged?

Being friendly and understanding here will almost always get you further than going straight for the jugular. Yes, this is a terrible way to conduct business, and it is probably indicative of exactly why their business plan didn't work out. But educating them on that fact isn't really your responsibility. Make getting paid your priority instead. If you respond with empathy and understanding, your client is likely to make you one of the first people they pay when they do have the funds. And you also increase the chances that he or she will want to work with you in the future, should their business plans ever come to fruition.

## **Serial Non-Payers**

When I was in fourth grade, I missed the bus to school because a bully pushed me out of line seconds before it pulled away and the driver didn't notice me. When I got to school, my teacher wouldn't let me in. I tried to explain to her what had happened. "It's not fair!" I cried.

"Indeed, kiddo," she responded. "But life isn't fair." And with that, she closed the door and left me outside to cry.

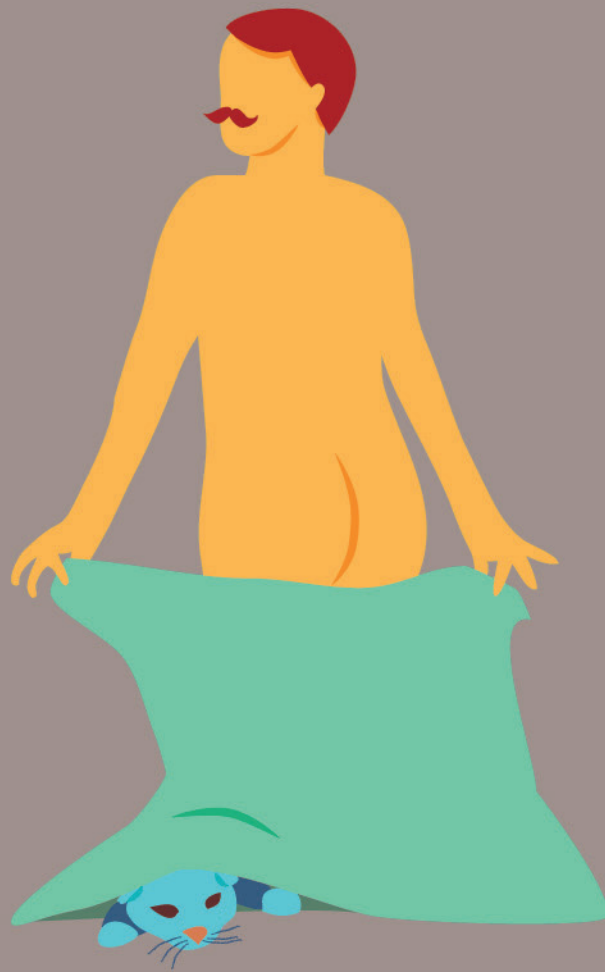
I'm pretty sure the situation would play out far differently today. No teacher would lock a late child out, for fear of getting sued. Which also probably isn't fair.

But life isn't fair. And not all people are inherently good. There are plenty of villains walking amongst us.

Some people are just serial non-payers. They leave behind a trail of debt, refusing to pay most of the people they hire or commit to. You might be able to sense their creepiness at first sight, but more often than not, you miss it. These people are professionals. They have done this many times, and they know exactly how to dupe you. What's more, they stopped feeling bad about their behavior long ago. If you have been unlucky enough to work with this type scam artist - well, good luck with that. Even a lawyer can't help you here most of the time, because they know how to disappear. Or how to declare bankruptcy, if all else fails.

Sometimes, life just isn't fair.

Which is why it might be time to talk about how to avoid those clients you just never should have started working with from the start, protecting yourself long before it ever reaches the point of you needing to put yourself in their shoes.



PART THREE

# Covering Your Ass: From Start to Finish

# Before You Get the Project

I get it. You're in business for yourself, which means that hustling is part of the job. Working to get clients sometimes takes up just as much of your time as completing the projects that are meant to get you paid.

But guess what?

If you actually want to get paid, you have to be smart about who you work with before you commit even an hour of your own creativity to a job.

## **Pick Your Clients Carefully**

Yes, you read that right. You should be picking your clients, not the other way around.

You might be thinking, “But I need to pay the rent... I’m not in a position to be choosy about clients.” While this may be true, and there are certainly times when you just have to take the work offered to you, there is still something to be said for being choosy whenever possible.

Because the right clients actually take up far less of your time and pay when they are supposed to – which opens you up for doing even more work. At the very least, you need to bite the bullet and avoid



the horror clients who seem problematic from the start.

When meeting with clients – be it in real life or digitally – treat the meeting like a first date. A first date with someone you wish to have a great relationship with. Because like it or not, the client/contractor relationship is one that ties you together for at least a few weeks to come.

So just like on a [first date](#), be on the lookout for red flags. If you were on a date and the other person kept talking about their ex or seemed to be a Stage V clinger, you wouldn't make a second date. In this context, if the potential client spends your entire meeting badmouthing several past contractors they have worked with, or if they seem like they will need a lot of handholding throughout the duration of the project, think twice.

Look, even if you were on a date and feeling horny and lonely, there are still certain red flags that would send you running – no matter how hard up you were. This should be true of bringing on new clients, as well, no matter how much you need the money. Because if you end up spending an inordinate amount of time trying to get paid, or dealing with insane requests, you just screwed yourself out of the ability to work with other clients anyway.

If something feels weird, or this client is cheesy, sleazy or teasy – think twice before you get into bed with them. Ask questions, [use Google](#) and reach out to mutual friends to learn as much information as you can. Make sure you're not going to be sorry for picking this person as a client. It's not personal – it's business. The fact of the matter is, some people can be great human beings who would be awesome friends, but they would still also be clients from hell.

A quick way to check on a potential client's stability would be to

mention that you require a down payment. It doesn't matter how much your down payment is for – anywhere from 10 to 50 percent is normal – it just matters that you make it clear you expect to start this relationship off with a show of faith. At this point, you just want to see how your potential clients react to this requirement. Some will be more than willing to comply, while others will immediately want to avoid the need for paying anything at all – let alone up front.

Soon enough, you will each be signing a mutual contract anyway. But putting money down sometimes means far more than words. So if a potential client runs away screaming when you mention “down payment”, don't run after them.

## What to Look Out For

Not all clients immediately present with red flags, but these four bastards should be easy enough to spot:

**The Man With a Dream:** The more you get into this line of work, the more often you will hear, “Listen, I don't have a lot to spend, but we're just about to take off and should be raising a lot of money very soon. So just bear with us and let's consider this a test project. We're looking to build a long-term relationship and will be able to pay so much more next time!” This guy may be sincere. He may genuinely believe everything he is saying. But you know what? Clients like him are a dime a dozen. And rarely do they ever hit it big or do their promises ever come to fruition. So proceed with caution and be willing to stand by [your own value. If a client doesn't have the budget to afford you, don't go there.](#) At least, not unless you really like the job and can imagine yourself doing it for free.

**The Cheapskate:** For this guy, paying you has nothing to do with how his business is doing – it could be extremely profitable. He’s just... cheap. You can see this in a lot of ways up front. How often he brings up his budget, the places he suggests the two of you might meet, and even cost-saving measures he may be advocating for. It is one thing to be frugal and fiscally responsible, another thing entirely to be cheap. Ask this guy if he has worked with other freelancers in the past, and how it went. Pay attention to any comments he might make about another freelancer’s rates. These kind of people are always sure they are paying too much for what they get. Chances are he’ll make you sweat a lot before you ever see a dime.

**The Lawyer in the Making:** This is the client who just likes to argue and be confrontational – he or she always needs to be right. And will likely fight you every step of the way during the project, just because they get off on confrontation. Spotting this client is actually pretty easy. They have an arrogance about them that is hard to miss, and will jump at the chance to trash talk other freelancers if you open that door. Listen intently, and then get the heck out.

**The Needy Client:** We are in a business that requires a fair amount of customer service, so a client who has questions and would like valuable follow-up isn’t necessarily a bad thing. But one who asks the same questions over and over again, seems hesitant about every decision that is made, and wants you holding their hand every step of the way is going to be a huge suck on your time. Not only that, but they have such a need to be liked that they will absolutely consider not paying you if you hurt their feelings in any way – which could be caused by something as simple as not responding to their unrelated e-mail about their cat. Tread carefully. You may need the work, but is it worth it for a client who will take up so much more of your time just to get the job done?

# At the Project Starting Point

I have this good friend, Dan. He's a great freelance web-developer, and I love working with him because he has the eye of a designer. Hiring him for a web-development project is a treat. But Dan has one drawback – he's overly optimistic.

You know the type, right? Always seeing the best in everyone. Forever convinced they are living inside a bubble where no harm could possibly ever come to them. The kind of people who get shit on by a pigeon, and then tell themselves it's good luck.

Optimistic people are great to be around. They lift our spirits and get us thinking optimistically, as well. But being optimistic when you're a freelancer can get you into trouble. You want to skip the formalities and jump right into the work, sure that all will be smooth as a baby's bottom. In real life, however, things are rarely ever that easy.

And getting shit on by a pigeon just means you have to pay extra for dry cleaning.

Dan, just like any other creative freelancer, has encountered plenty of problems with clients in the past. In his case, those problems are often a result of his optimism – and the ways he has failed to protect himself from the start. Again and again, the same things happen: milestones are delayed, requirements change, and payments seem elusive.

Handling contracts and dealing with money isn't fun for anyone. You didn't sign up for all that administrative sludge when you decided to become a designer. But you know what's even less fun? Finishing a project only to have a client stiff you on your payment. So hold your horses and don't start the work before you protect yourself.

After two or three times of doing it the right way, you'll get used to the administrative end of things. Particularly when you find yourself getting paid, on time, more and more.

## **The Power of a Good Contract**

Every freelance website, blog or lawyer will tell you the same thing; that having a good contract in place will allow you to win in court if you have to take it there.

I call bullshit.

Look, I've never been to court over non-payment (or anything else, for that matter) and I get goosebumps just thinking about it. I have no interest in ever going down that path, for all the reasons we have already discussed. But I also never skip out on writing a contract. Because a great contract isn't just about helping you win in court – it is about helping you to avoid ever ending up there in the first place.

That is what I see as being the contract's superhero power: it gets clients to pay *before* you have to escalate things to the point of heading to a courtroom.

Before you start working, you need to create a contract. And you need to make sure the client is pleased with the terms and signs it.

I know a few freelancers who have never used contracts in their entire career. Freelancers like my buddy Dan who just choose to trust in people. Look, that's one approach, but I feel like that is just asking not to be paid.

Do you *like* getting screwed over?

For me, a contract is a must. It helps me get things organized in my mind while also communicating expectations to my client. Having signed a contract, your client will think twice about not paying you at the end of the project. Because they don't want to end up in court, either.

## **So What Does a Good Contract Include?**

A [good contract](#), and just basic project management, always stipulates multiple payments along the way. The down payment we already discussed, and then the full payment broken up over various milestones. This actually protects both you and your client. The client is able to remain apprised of the work as it is happening, and if payment is problematic – you find out long before reaching the end of the project.

The contract is also a great way for both sides to [agree on the price](#) and [what is included in that price](#), right up front. Say the project is to brand an upcoming restaurant. How many iterations/revisions are included? How many concepts will the client pay for? Is print for collateral included? What files and formats will be delivered?

When these things are not detailed out ahead of time, the probability that your client will feel frustrated with the end product and not want to pay increases exponentially. After all, if you both go into this with different expectations and don't communicate what those expectations are – it is virtually impossible to produce an end

product that will match what your client is envisioning in their head. And that becomes just another reason for them to delay payment until they get what they were hoping for in the beginning – which can sometimes mean starting from scratch for you.

Another great thing to include in your contracts is a 15-day payment policy. Basically, this just stipulates that payment is due within 15 days of the completion of work. Why 15? Because 15 days is enough time for them to reasonably review the work and go through their accountant for a transfer of money – at least, according to standard business practices.

Some clients won't agree to that, so you need to have a conversation with them about why. In certain cases, they may be working with a company policy that dictates payments not be made until 30 days after invoicing. Should that be their reasoning, go ahead and implement the 30-day payment policy in your contract. But short of that, you need to ask why they are afraid of committing to paying you within 15 days. If they don't have the money set aside now, and are afraid they won't have it then, there is reason for concern on your end. You put in the work, so you deserve to be paid in a timely manner – how else are you supposed to pay your own bills if clients can't pay you in a reasonable amount of time?

Sure, you should have some savings. That would be the responsible thing to do, perhaps especially as a freelancer. You can already hear your parent's voices echoing that same sentiment in your head. *Save 10 percent of every paycheck.*

Blah. Blah. Blah.

But you know what? Your client should have some savings, too. You wouldn't go out to eat at a restaurant if you didn't have the money to pay, and they shouldn't be hiring a freelancer they can't afford.



They have the entire time you are working to put money aside and plan for paying you. Allowing for 15 days after the completion date is actually giving them far more cushion than they should ethically need.

Now, what about those cash flow problems we discussed earlier, where a company might not be willing to pay you until they get paid themselves? Well, I say screw that. Them waiting to collect their money isn't your problem. They are your client, not whomever they are working for. So include a clause in all your contracts that stipulates your payment should not be dependent upon any other payments to them. That 15-day payment policy applies regardless of when they get paid.

Unsure of how to build a contract? Here is the best open-source, free-to-use [contract I know of](#). You can use it yourself, plugging in your own information as you go. I actually use shorter contracts - I prefer never to go more than two pages long. But no matter what you use, I would suggest having a lawyer go over it at least once. Then you have a template you can feel confident in using for all future contracts.

## Easing Contract Nervousness

You will undoubtedly come across at least a few clients who are hesitant about contracts. In some cases, this can be a red flag indicating you need to steer clear. But in others, it is just the sign of a client who is new to the business world and already feeling uneasy about all these big commitments they are making.

Let's just say a flower shop contacts you, wanting you to design their website. The shop owner knows nothing about websites or the Internet, and makes that point very clear from the initial conversation. They might be afraid to sign a contract, because they



don't totally understand what they are signing or agreeing to. In this case, your job is to sit with the client and format the contract in such a way that allows them to feel protected as well. Write the contract in simple language that he or she will understand. Teach them something about web-design, build their trust in you, and make them feel a little more comfortable with this new world of technology.

The point is, there is no excuse these days not to have a contract. There are free templates you can use, and even [products that help you write your own quality contracts](#). Don't skip this step. It isn't ever worth it.

## **Watch Your Money From Afar**

Every morning before I start working, I get on my fixed-gear bicycle for a long ride. My journey takes place next to the beach, on a special bike lane, while listening to music in my headphones.

I love this routine, but sometimes I lose my motivation and just wish I could be in the shower already. Then, when I'm close enough to my destination, a few miles away from home, the motivation hits me again. I speed up, feeling energized because I know I'm about to reach my goal. I can see it getting closer.

I have found those bike rides to be very similar to how I feel about working on my projects. When I'm getting closer to the end, I can imagine the dollar signs in my bank account, giving me the motivation I need to speed up.

You know what is even better motivation? When I can actually see that money waiting for me.

Occasionally I work for clients as a project manager to build

websites for them. When that happens, I find relevant freelance developers and designers and hire them for the project. For those freelancers, I am the client. Because of that, I know how it feels to be on the other side of this whole freelancer gig.

I tend to hire developers from different countries (India, Ukraine, Israel, Poland). Since I work with them remotely, these are all people I've never met face to face. They also don't know who I am, which must increase their nervousness that I won't pay. Fortunately for them, I always pay on time. And to address any concerns they may have, I use Escrow accounts.

Escrow is a neutral third party, considered as safe as a Swiss bank, that can hold payments until the work is done. It's very simple – when you start working on a specific milestone for me, I transfer money to a mutual Escrow account. You can't get the money from that account yet, but you do see that I have it and that I intend to give it to you.

When a freelancer completes the work for this milestone, I release the money from the Escrow account, which allows them to withdraw it. They still need me to approve the milestone, so I could potentially delay the release if I'm concerned about the quality of work. But the fact that they can see my money laying there, waiting for them, makes them trust me.

Moreover, just like I speed up on my bike when I see home from afar, I find the same happens when Escrow accounts are being used. When the freelancer sees the money in their Escrow account, they get motivated because it feels more real.

If you have clients that you don't totally trust, or if the work is being done remotely, you can always suggest an Escrow account in your contract. The client is not taking any risk because if they

don't approve a milestone, you won't get access to the money. But by doing things this way, they prove to you that they are serious about the project and that they have the money for the job.

Using Escrow, there's no need for bank transfers or checks sent in the mail, either. This is another advantage of the service. There's less friction and it is especially convenient if you work remotely with clients from other countries.

Now, you may come across clients who are uncomfortable with the idea of Escrow because they don't understand it. But that's where it becomes important for you to do your part in educating yourself on how it all works, so that you can explain the process and reassure them. After all, if this is one way to ensure you get paid – it is worth doing your research so that you can appropriately pitch it to clients.

## Chapter 6

# During the Project

Red lights can appear during work on any project. Clients might disclose discomfort over your lack of communication, over the quality of the milestones so far, or over any other aspect of the project.

If you plow past those red lights, you may be setting yourself up for disappointment come payment time. A good freelancer, the kind who routinely gets paid, remains sensitive to the client and pays attention to those red lights when they come up.

### Keep the Communication Open

I love my job. I [work from home](#), I don't have a boss sitting behind me micromanaging my progress, and I get a say in the jobs I take on. But keeping that work environment copacetic means touching base with clients throughout my work on their project to routinely ensure we are on the same page.

Look, you can minimize communication with your clients to zero if you want to. A lot of work-from-home freelancers are true introverts, and that is certainly the default they prefer. They like to work freely, without interruptions or handholding, allowing themselves to be creative and productive. But trust me when I say: going radio silent is a bold and dangerous move. So take it at your own risk, knowing damn well you may be screwing yourself out of a payday.

In “The Honest Truth About Dishonesty”, Dan Ariely writes about a slew of interesting experiments that make one thing very clear. It is so much easier to cheat someone you don’t know personally.

So you know what? Protecting yourself means allowing your clients to know you personally. Meet face to face whenever possible. Create solid relationships, even emotional connections. Let them see pieces of your life and work philosophy, and treat them not just as a client – but also as a friend. When the day comes for them to pay, it will be harder to ignore your invoice if they remember your pretty face.

You don’t want to cross lines or be socially awkward, but in the context of business conversations, it is perfectly acceptable to ask a client about his or her family, spouse or dreams for their project. You can let information slip about your dog or the college you attended. This doesn’t always have to happen face to face. If you are working remotely, video chatting can come in super handy. But opening up those lines of communication allows your client to see you as a real person. And when that happens, they are far less likely to screw you.

So make sure to constantly communicate with your client. Ask questions, give updates, and let them know how things are going. This will remind them that there is a real person involved, investing real hours; hours they will eventually have to pay for.

If the project is doomed because the client is unhappy with what you’re creating, or any other problem they are dealing with – you will hear about it sooner rather than later if you keep those lines of communication open. Remember the whole “the project went south” scenario for not being paid? Well, if you are routinely touching base with your client – at least you are more likely to find that out before you put everything you have into the finished product.

## The First Milestone

Working with milestones allows you to get an idea of your clients paying habits from fairly early on. If the first payment required is a down payment, you already have some security going into this project. The client has proven to you that they are serious. And by completing the job professionally and on time, you can prove to the client that they were right to trust you with their money – making it more likely they will do so again in the future.

But some clients resist down payments, either because they don't trust you or because they don't have the money. Obviously, if you are a junior designer, this might happen more. And you can't blame the client – your portfolio of works and former clients is small to nonexistent. They have no clue if you can provide the work you are promising, and to an extent – this is a situation where you need to earn the trust, not the other way around.

I have a nice technique I use with clients who don't agree to a down payment. It works the best for designers. Set up the first milestone as “The Concept”. In this milestone, you show the client drawings in your notebook and describe to him or her the general idea of the design you plan on producing. No Photoshop files, mockups, or anything else online. Not only will you be able to test the client's paying habits in an early stage of the project, you will also have a chance to show them what they are about to get. If they don't like it, you both saved time and money.

# The Work is Done? Wait!

Congratulations, the project is finished! It is beautiful and you are proud of your work (at least – let’s hope you are). Feeling super excited, you want to send the client the files right away. Or at least set up a meeting to show them what you’ve done. We creative people get a little manic like that when we are on the high of finishing a project –we want instant gratification and praise for the work we’ve done!

But stop. Before you send everything haphazardly off, be cautious and protect yourself. No matter how much you like this client, or how excited you are to hear what they think, now is the critical point.

Even if you were smart enough to have a contract with specific paid milestones included and a down payment - there’s still always a chance you won’t get that last payment. Which is, in many cases, the biggest one.

## The Ransom Way

It seems crazy to think that a client who has been paying all along might skip out on that final payment, but it happens all the time. Once they have the finished product in hand, they aren’t always as motivated to get you your money anymore. After all, they have nothing to lose by delaying.

And some people are assholes.

The simplest tactic to ensure this doesn't happen to you is to notify the client you are done and that you will release the files once the final payment is made. They want to get the work? They have to pay for it.

Boom.

But wait just a second, because... that's usually easier said than done. Most clients won't pay you before they see the finished product. They want to protect themselves too, after all. And they want to be able to know that they can ask for changes, or approve the final files, before they pay you and reduce your motivation to finish the project out.

Now, a good freelancer would never cut and run. I have had clients pay me up front in the past, and I have always remained available to make [any changes they have requested](#) after the fact. But the reality is, yes, my motivation is greatly reduced once I've been paid. It's hard to put even two more hours into a job you don't expect to see anything else from. So I do understand why some clients would feel hesitant about this. It really can cut both ways.

So how to do you ensure everyone feels protected?

Well, you start by having this last payment outlined in your contract. If you want to get paid before releasing the files, and you are confident in your ability to continue working on revisions after the fact – include that in your contract. But if your client isn't willing to go for it, you may need to consider one of the options below.

Above all else, update your client as you are nearing the point of completion. Regardless of what you have agreed to – you want them to know their time for paying is coming.



## See But Not Touch

The reality is, very few clients are going to agree to making that final payment before they see the project. But there's a simple solution you can implement to still protect yourself and them. You see it on stock images you are buying all the time – watermarks. Choose the most amazing image, Photoshop layers, and pages you've done, and then add watermarks to them. Let the client see your beautiful job, while also reminding them they don't own the finished product yet. Then agree to remove the watermarks and send the complete files once that final payment is made.

[Here's a simple way to do that in Photoshop.](#)

Basically, you're giving them a taste of what's to come – but they don't get the full payout until they give you your full payout.

## The Pressure Point

Sometimes we have to remember that [clients are up against deadlines](#) too, and it isn't uncommon for them to turn their emergency needs into ours. A perfect example of this might happen shortly before your project is due. Your work is almost ready, but the client contacts you and explains they need to show it in a business meeting right away. Suddenly, he's calling you to explain why he'd like you to finish it all ASAP and send him everything by the end of the week.

Now, you are a good kid. You want to make your client happy, and you're proud of your work. You are flattered by the fact that your work is going to be shown to others – a strong indication that your client is happy with what you have done so far, too. But... you still haven't received payment from him. Either because he wasn't supposed to pay you yet, or because his last payment is late.

Most of the time in these scenarios, the client has a thousand excuses for why they can't pay you just yet. A good businessman will try to convince you that "your check is in the mail" or that they will pay you as soon as their meetings are complete. They say, "Just send me the files, my accountant is on [vacation](#) - as soon as he gets back, I promise you, he'll deal with your payment."

And now, you're stuck between a rock and a hard place. Because you've had a good working relationship up to this point, and you don't want to screw it up now.

But you know what? Fuck that. You can still be pleasant and professional, but if your client wants your work early – they need to be willing to pay.

A good businessperson will understand why you ultimately can't release the final product until all payments are up to date. The waiting for the account excuse? That's bullshit. Any decent business owner knows how to write a check. And if they say the check is in the mail? Well, they can cancel the check and transfer funds to your account. They know how to do that, too.

Stand your ground. If nothing else, this is a great way for you to get your money sooner than you had originally anticipated. After all, if the client really does need the final product for those meetings – he or she will find a way to pay. I can promise you that.

## Chapter 8

# Knowing When to Let it Go

Remember that whole, “Life isn’t fair,” lesson my 4th grade teacher taught me? Yeah, well... it still applies. There will be times when you do everything right, and that asshole client still refuses to pay.

You’ve threatened, you’ve sent a collector and you’ve sued – but he just disappeared. Or filed bankruptcy. Don’t let it ruin your life. You played the game. You tried everything in your magic bag of tricks. There’s nothing more you can do here, so let this one go and focus your energy on new project.

We all take risks in our careers. If you were working in an office environment, you could get fired any given day, right? As freelancers, our risk is that we won’t get paid by clients. Shit happens. What’s important is that you move on. You have to, because otherwise it will hurt your focus. And when your focus is skewed, you stop being the creative person you are.

So just let go.

Go meditate or run a few miles to blow off steam. Eat pizza with friends or gorge on a pint of Ben and Jerry’s. Whatever you need to do to let it go.

Just make sure you learn your lesson. Think about what happened - could you have done anything differently? Why didn’t the client pay? Was it a communication problem? Or was he just a villain?

Find the silver lining. At the very least, this shithead client may have taught you how to spot other shitheads in the future. So learn your lesson and move on. You'll be fine, and soon you'll get another creative project that will help you get back on your feet.

# Final Note

If you've made it this far, my hope is that you have already gotten paid – or at least learned how to protect yourself and ensure payment in the future. Need a brief reminder on how to do that, though?

1. Carefully vet your clients – don't go against your gut.
2. Have an iron clad contract in place.
3. Find ways to get paid before submitting the final product.
4. Know how to pressure your client into coughing up your cash if they somehow slither past those due dates.

I know that it might seem like a lot of work, and if you haven't done much up to this point – it can even seem a little overwhelming. But trust me, this whole book is about implementing simple changes to make a huge difference in your bottom line – and your stress levels. The more you follow the suggestions I've outlined for you, the more they will begin to feel like second nature. And that small amount of extra effort up front will be so worth it when you realize you haven't dealt with a non-paying client in forever.

The truth is, yes, there are assholes in the world that will try to take advantage of the little guy. And as a self-employed freelancer, you are certainly at risk of being seen as that little guy. But you also have the power to protect yourself.

And you know what else? Not all clients suck. In fact, I would say the vast majority are a dream to work with. People who will appreciate your creative vision and be excited about the work you

are producing. There are plenty of clients who will not only pay on time, but who might even give you unexpected bonuses for a job well done. There are clients who will make you love your job a thousand times over, totally making up for the few jerks who slip through the cracks in between.

So take a deep breath, and start making some changes to protect yourself from those jerks. Because you aren't helpless in this and you deserve to get paid for the work you do.

***Never again*** is a great promise to make yourself.

But then, take that money you worked your ass off for, and treat yourself to happy hour with friends. Not bourbon poured in a fit of rage, but celebratory cocktails earned after a project well done.

Hell, you could even shoot for a mid-day celebration, if that's what you're up for. After all, isn't that one of the biggest advantages of what we do? You aren't stuck in an office. You get to make your own hours and **pick** and choose the projects you love. You don't have a boss breathing down your neck or a time clock to punch.

Life is good, my friend! And being a freelancer, making your own hours, defining who you are creatively and earning every dollar in your pocket? That is a perk well worth celebrating

So cheers to you! And to getting paid!

If you wish to get more honest tips and hacks about the freelance life you should sign up for [The nuSchool's weekly newsletter](#).



BONUS

# Advice From Great Designers



## Jarad Johnson

Thankfully, during the past few years, people in our industry have taken huge strides to make contracts prevalent. Good clients will always be willing to sign a contract. If they refuse, you can bet whatever they were going to pay you they would be a nightmare to work with. A few months ago, I had an established business refuse to sign our standard contract just before kickoff was scheduled, asking us to “put some skin in the game” first. We obviously refused, and just weeks later word got out that another local firm produced some work for this company but was never paid.

Get your contract signed. Don't work with assholes.

[Website](#) // [Twitter](#)



## Mirko Humbert

The best thing you can do is to avoid the client altogether, if you don't deal with him, you won't have any issue. This type of client is often quite easy to spot, offering you wages less than half of the market price, promising to create the next Facebook, or simply asking for the cheapest price.

[Website](#) // [Twitter](#)





## Dan Matutina

To avoid non-paying clients, it's best to research about them after they get in touch you for a possible commission. After doing due diligence, make sure there's a contract (that protects both you and the clients) before you start on the project.

[Website](#) // [Twitter](#)



## Ian Paget

I take 50% upfront before I start, then take the final 50% before releasing any design files. Pretty much guarantees final payment as the client needs to pay to get the work. If they don't pay up I at least have the original 50% in the bank, so not a total loss.

[Website](#) // [Twitter](#)



## Jacob Cass

Clear communication in written form is the best way to avoid dealing with these situations. Having a signed contract outlining the terms means everyone is on the same page from the beginning. Also, requiring a deposit upfront is essential.

[Website](#) // [Twitter](#)



## Stephanie Walter

Since I'm a small company, I ask clients to pay upfront once the final product is delivered. They have a 30 days maximum delay. Usually when I see a few days before the deadline that they haven't paid me yet, I simply send them a kindly reminder, something like "Hello if I'm not mistaken the payment time is pretty close and I have not gotten any bank transfer or cheque from you yet. I'm sure this is a misunderstanding, so don't hesitate to contact me if you need any help". I usually try to explain them that if they have some kind of problems for paying, we can work on a schedule to split the invoice in smaller parts. Most of the time, it's indeed just a misunderstanding : the accounting was on holiday and had so much work when he came back that he missed my invoice (I tend to believe that one when the client is a School I work with regularly and I sent the invoice in September ^^) or the client was waiting for his end-client to pay him so that he can pay me. In France we are lucky to have this site : [kitdesurvie.metiers-graphiques.fr](http://kitdesurvie.metiers-graphiques.fr) . It has all the informations you need when clients do not pay, and some nice letters you can copy/paste.

After sending kind reminders most clients do pay. So far I had one particular client who did not pay on time. I kindly reminded him that he needed a transfer of ownership contract to be legally allowed to use my work. After two emails he finally paid, but I never heard from

him again even though we were supposed to work on another project together.

If I can give one (well actually two) advices :

1. Have a solid contract
2. Watch "Mike Monteiro: F\*ck You, Pay Me"

In many cases, honest communication help in those kind of situations.

[Website](#) // [Twitter](#)



## Lee Munroe

Ensuring you have the payment schedule is clearly communicated up-front in a contract. What both parties should expect and when. And ensure you're not leaving it all to the end. Better to get paid at certain milestones along the way, which would include an up-front payment before getting started.

[Website](#) // [Twitter](#)



## Jeff Archibald

The best way to avoid situations in where clients are non-paying is to really evaluate them before signing up for the project. When I look back on challenges we've had related to collecting from clients in the past, almost every single one of them had red flags that I ignored. Those red flags might be: a shaky business

model; low sales figures; general sketchiness; unwillingness to talk about payment terms up front; and more. And almost all of those red-flag-clients are ones we let in in times of desperation – times when the pipeline was empty, or there wasn't a lot of work on the horizon. That's when it's the hardest to turn away work of any kind, but if we're not going to get paid for it, it's not worth it, right?

When we do get in those situations – where clients are extremely slow to pay – I basically start by kindly asking when we can expect payment. As time passes, I email them more & more frequently, and get more and more stern/short in my inquiries. There's been instances where I've set up Harvest to automatically email client the same overdue invoice on a daily basis. At a certain point – usually 45 to 60 days late – I'll start picking up the phone, offering to come pick up the cheque in person, and so on.

Basically I turn into a giant, unavoidable pain-in-the-ass. And I do it without regret. We've held up our end of the bargain, and we deserve to get paid in a reasonable timeline. I've never really had to pull the contract card or threaten legal action, thankfully.

[Website](#) // [Twitter](#)



## Andrew Wilkinson

I've had plenty experience in not being paid on time in the past!

In the past I used to have issues with lots of clients not only not paying me, but spending up to 9 months gathering content for their site after I've finished building it, and holding off payment until they have finally got their act in gear.

For this reason I now use a contract and split my payments into 50-25-25. This way if for some reason, the last payment get delayed, it doesn't hurt my pocket. I include a hold fees and late fees into my contract which allows me to charge the client extra if they delay feedback, content or payment itself. I never enforce these, but once the client knows it's in there, they tend to be a lot more responsive.

[Website](#) // [Twitter](#)



## Bastian Allgeier

I was lucky enough so far to have to deal with a non-paying client only once years ago. After a couple attempts to remind them in a regular, friendly way I had to tell them that I'm going to send this to my lawyer next. Fortunately this must have been intimidating enough for them to pay a couple days later.

I trust my gut with new clients and if it doesn't seem to fit I decline projects before even getting started. That's of course not a guarantee, but it's working quite well for me. Learning to say no is hard but crucial.

[Website](#) // [Twitter](#)



## Cat Noone

When I first started freelancing, trying to build my portfolio, I feel like I took on any client I could get, and it was horrible. I didn't know how to handle non-paying clients who missed deadlines, but it was a true and necessary learning experience. After about a year and a half of doing so in NOOB city, and some less-than-fun experiences, I learned my rights as a freelance contractor and set myself up for success. From that moment on, I did two key things that changed the way I went through my freelance career:

1. Ensured my contract covered all of the fine details in a business-friendly manner—including what's expected of me, them (the client), and how late payments are handled. Clients knew this would be a great experience and that I was easy going, but should late payments extend further than expected, they'd receive a warning, followed by a legal document from a lawyer. There are two things

most companies dislike—lawsuits and bad press going viral.

2. I became really picky about who I took on. This may be a bit difficult when you're first starting out, but I eventually only picked up clients I was comfortable working with—from the individuals down to the projects that really jived with me.

From there on out, my projects and client experiences were smooth sailing—for me and them.

[Website](#) // [Twitter](#)



## Andy Sowards

I was stiffed once, ONCE, and only once. Here is what I did to remedy the leak in my freelancing ship: Deposits. The first client I ever worked for I didn't take a deposit because it was my first gig and I was just so excited to have A CLIENT, and work! Once I snapped back into reality and realized I couldn't do this (nor did I want to) for free, I started asking for AT LEAST 25% up front, now I stick with 50% up front - this has helped me avoid having to deal with the issue of non-payment. Try to get reputable clients that are trustworthy and professional, those types are least likely to flake on you, but if a client is willing to put their

money where their mouth is then they are more likely to stick with the project and send you the rest when its completed. If they don't agree to a deposit, RUN."

[Website](#) // [Twitter](#)



## Kerem Suer

It's going to sound weird, but I actually never had a non-paying client yet and hope to keep it that way. As for my secret on how to achieve this, really quickly:

I send invoices that indicate clearly when the billing date and due dates are. I also include footnotes that indicate what would happen if they pay late (10% late fee, etc). I also send reminder emails every week if the client is more than 15 business days late.

[Website](#) // [Twitter](#)



## Jacob Gube

One strategy for avoiding non-payment is to make serious efforts to prevent the situation from happening in the first place. Finding



out about the company or individual you're thinking about working with is a simple first step. Is their company reputable? How well-established are they in their industry? This isn't bullet-proof of course, but it could significantly lower the chances of non-payment. When your gut tells you something's off even before the project has kickstarted, then you should probably step back a bit and reconsider if the project's really a good fit.

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