# Striking Out On Your Own

Wayne Chang

# what's good

- Choose your professional destiny.
- Freedom to work any hours and anywhere.
- You can make a lot more money and work less.

# what sucks

- Choose your professional destiny.
  - Sometimes you choose poorly.
- Freedom to work any hours and anywhere.
  - Sometimes it's all of the hours.
- You can make a lot more money while working less.
  - Also, you can make a lot less while working more

# don't be a "Python Developer"

- There is a very smart developer in $country who can code better than you and happily charges $35/hr.
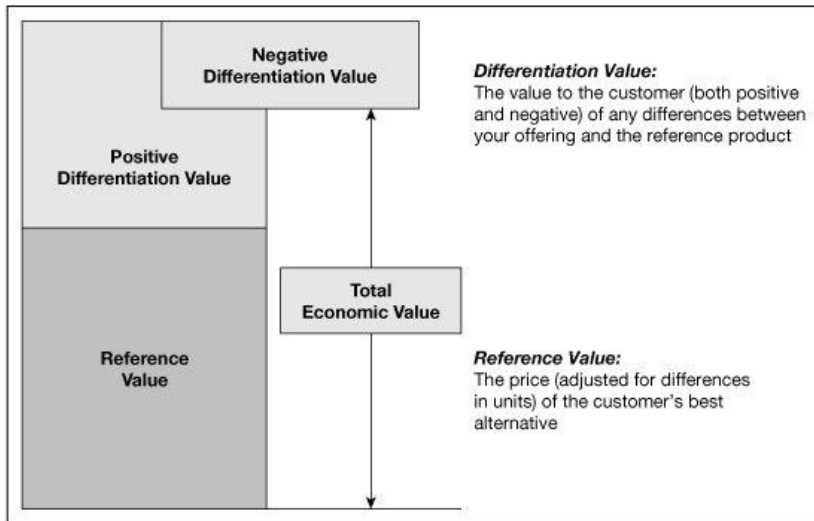- On average, $country developers make $30k/yr, and American developers make $80k/yr. Why?

why



Figure 1: Pricing Diagram from Strategy & Tactics of Pricing (2014)[2]

# you must specialize

- Differentiate by specialization and trust.
- Interest in business is rate multiplier.
- For developers, specializing in a specific vertical is huge.

# it's a relationship business

It's a relationship business, and you need to

1. Define a meaningful value proposition.
2. Test the market by getting out of the house and speaking with your prospective customers
3. Start communicating to your network (friends and old colleagues) about what you do.

Quantity and quality of leads matter a lot. Everything about Lead Generation applies to you, and prepare to work a CRM.

# it's all about trust

- People buy when they *trust* their problem can be solved for an acceptable cost.
- How much you can bill largely determined by trust.
- E.g., trusted management consulting companies get paid upwards to $50k/wk for a single supervised new grad.

# some ways to build trust

- Referrals: partially transitive trust.
- Providing value over time.
- Credentials.
  - Fancy Degrees
  - Track Record of Companies
  - Shipped Projects
  - Other Accomplishments
- Publications.
  - Writing Posts for Your Blog and Other Publications
  - Presentations
  - Podcast Appearances
  - (Positive) News Mentions

See the trust velocity table[3].

# the freelancing spectrum

Workforce Augmentation

- ▶ Staffing Companies
- ▶ Full-Time 1099 Contracts

Agencies

- ▶ Digital Agency Subcontracting
- ▶ Toptal
- ▶ 10X Management

Independent Consulting

- ▶ Training
- ▶ Very Specialized Deliveries
- ▶ Productized Consulting
- ▶ Advising

# hourly == bad

Bad for you:

- You make less money.
- You learn how to do the same thing faster and get paid less.
- It costs hours to track hours.

Bad for them:

- They are interested in an outcome, not your time.
- If you take longer, then you get paid more.
- Going over budget is incredibly common.

So try pricing by:

- Weekly
- Fixed-Fee Projects
- Value-Based

# references

[1] Strategy and Tactics of Pricing by Thomas Nagle (2014)

[2] Talking About Money by Patrick McKenzie `http://www.kalzumeus.com/2015/05/01/talking-about-money/` (2017)

[3] Trust Matrix by Philip Morgan `https://philipmorganconsulting.com/lead-generation-trust-velocity/` (2017)

# resources: books

- Alan Weiss: Getting Started in Consulting, Million Dollar Consulting
- Philip Morgan: The Positioning Manual for Technical Firms
- Steve Blank: Startup Owner's Manual
- Cindy Alvarez: Lean Customer Development
- Michael Port: Book Yourself Solid
- Robert Galford: The Trusted Advisor

# resources: online content

- Patrick McKenzie `https://training.kalzumeus.com/newsletters/archive/consulting_1`
- Obie Fernandez, Author of The Rails Way: `http://MSABundle.com`
- Brennan Dunn: DoubleYourFreelancing, Mastering Roadmapping `https://doubleyourfreelancing.com/rate/`
- Philip Morgan: Positioning Crash Course `https://philipmorganconsulting.com/positioning-crash-course/`

# resources: podcasts

- Double Your Freelancing
  `https://doubleyourfreelancing.com/podcast/`
- The Freelancers Show `https://devchat.tv/freelancers`
- Consulting Pipeline
  `http://consultingpipelinepodcast.com/`
- Kalzumeus `http://www.kalzumeus.com/podcast` (now
  defunct :/)

# thanks for the time you'll never get back

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Slides: https://github.com/wyc/striking-out-on-your-own