

BETTER, SMARTER, RICHER



SEVEN BUSINESS PRINCIPLES
FOR SOLO AND CREATIVE ENTREPRENEURS

A Workbook

By Jackie B Peterson

Second Edition

BETTER,
SMARTER,
RICHER

Better, Smarter, Richer: Seven Business Principles for Solo & Creative Entrepreneurs
© 2012 Jackie B Peterson

All rights reserved. No part of this book shall be reproduced, stored in a retrieval system or transmitted by any means, electronic, display, mechanical, photocopying, recording or otherwise without written permission of the author.

Content development, editing: Julie A. Fast
Editing: Emanuel Sferios
Cover design, graphic design and layout: Tatiana Makovkin

ISBN # 978-0-578-05812-2
All Rights Reserved
Printed in the United States of America
First printing

This book may be purchased in quantity discount for educational and/or business use.
For more information, please visit www.BetterSmarterRicher.com

A Julie A. Fast Productions Book

Published by
Grayson OmniMedia Publishing Group
Portland, Oregon USA



Table of contents

Acknowledgements	1
Introduction: Who are the Creative Entrepreneurs?.....	2
Principle #1: Find Your Focus and Develop Your Niche.....	4
Principle #2: Articulate Your Unique Value Proposition	20
Principle #3: Avoid Mission Creep.	34
Principle #4: Avoid the Time/Money Squeeze	48
Principle #5: Develop a Business Mindset.....	64
Principle #6: Understand Your Target Clients.....	88
Principle #7: Market Everyday	100
More Personal Stories	116
Resources	126

Acknowledgements:

There are many people without whom *Better, Smarter, Richer* would not have been possible. First I want to thank, my editor, coach and friend Julie Fast. Thank you Julie for your total enthusiasm and faith in this project as well as your work, challenging questions and many re-writes. Thanks also to my many clients over the years who have been willing to share their ideas, challenges and achievements. You have taught so much and many of you will see your stories reflected in this book. Thanks to my colleagues at the SBDC (Small Business Development Center) in Portland, Oregon who have been so supportive of this project since the very beginning. I have always been able to count on you to cheer me up when the project seemed overwhelming. Emanuel and Tatiana, you have taken my ideas and made me look good; thanks for your skill and professionalism. Thank you Bob for your support while I gave the book all of my “free time” for the last three years! And thanks to all of you who have wished me well during this venture. There are simply too many of you to name. I have been blessed with your many positive thoughts, ideas and suggestions. Thank you all!

A handwritten signature in black ink, appearing to read "Jackie B.", with a large, stylized initial "J" and a long, sweeping underline.



Introduction

Who are the Solo & Creative Entrepreneurs?

Solo & Creative Entrepreneurs (solopreneurs and creatives) are those who create products and/or offer services entirely themselves. They are artists and artisans. They work as photographers, designers of graphics, jewelry, fashion, textiles and web sites, writers, comedians, consultants, trainers and speakers, just to name a few. If you're a creative, you enjoy the feeling of seeing an idea take shape, bringing the idea to life and then offering it to others through your business. But maybe, like others, you have struggled to achieve financial success because traditional business models have not worked for you. This dilemma is common for both solo & creatives, and often starts very soon into the creative business dream.

Have you heard the following advice from any well meaning friends or family members? "Your work is wonderful, but you really should get a business degree because it's hard to make a living in the creative field." Or others may have told you that the only creatives who succeed are the ones lucky enough to sell their creations for fantastic prices in high end galleries or become a big name in their field. These well meaning people may convince you that you are doomed to get a day job and will only ever be able to practice your beloved art or service as a hobby, and that you will just have to resign yourself to being a "starving artist." This common and often insidious 'wisdom' persists today, even though the number of successful creatives & solos continues to increase dramatically, proving that this conventional wisdom is no longer wise.

Note to reader: For the remainder of this book, please note that the words 'creative' and 'creative entrepreneur' encompass anyone who is a solopreneur or a one person business.

Overworked and Underpaid

And yet there is still a problem: although creative entrepreneurs are very talented and driven, many have no idea how to turn what they love to do into a livelihood. Because the pathway to financial success is challenging, they are chronically overworked and often abysmally underpaid. Their common story is one of failed attempts to support themselves through their art. They are limited by time—and often finances—in how much they can create and they have little time for the important tasks of billing, networking, further study and marketing. Creatives have been struggling forever to find ways to be the creator of the product as well as the independent owner of their business. Luckily, this does not have to be your path. Through strategies, exercises and real life stories, *Better, Smarter, Richer* will teach you how to balance creating your product or service with the business of running a business. It is completely possible to create a successful business while doing the work you love.

Are You Ready?

Maybe the above describes you or maybe you are doing well in your business and would like to take it to the next level. Wherever you are today, it is possible to do your art, offer your service, entertain your audience, or create your product while making a very comfortable profit in a reasonable amount of time. *Better, Smarter, Richer* will take you on a journey of self discovery and self awareness and guide you in taking actions that will move you to creative and financial success. Let's begin the journey with Principle #1. It all starts with focus.



Principle #1

Find Your Focus and Develop Your Niche

Successful creative entrepreneurs are very focused on a single career. They easily define what they do when asked, and they work daily to develop a deep and narrow niche within their field. Having both a career focus as well as a niche allows them to become go-to experts who command the highest fees with the least competition.

This is absolutely crucial for success. Yet so many creatives resist making a definitive career choice. Instead, they spend valuable time and energy on a multitude of projects where they remain overworked and spread too thin, rarely reaching their financial goals. I've never seen a successful painter who is a bookkeeper on the side, nor a famous singer who also sells real estate for a living. In fact, virtually all successful creatives are deep niche specialists in a single field. If you as a creative entrepreneur do many things, but you don't do one of them very well, your chance of success is slim.

Jane Needs a Focus

I recently met a new client named Jane. When I asked her what she does she replied, "I'm a voice over artist for commercials, teach speech, coach sales people and write articles for magazines as a free lance author." Does Jane actually do all of these things? Yes, sometimes. Does she make money? No, not much. In fact, she is working part time as a waitress to pay her bills. When I met her she was disappointed, frustrated and trying desperately to hold on to her dream of having a full-time career as a voice over artist—a dream that she thought she was going to have to give up. She asked me, "Why can't I make money doing what I love?" I said, "There's an easy answer. It's because you're not focused on being an expert voice over artist. And when you're not in focus, you spread out all of your valuable time and money resources on projects that don't really matter." I knew our work together was just getting started.

Why is it so Hard for Creatives to Focus?

As an entrepreneur and a creative you are likely the kind of person who sees possibilities everywhere. At the same time you may be afraid that if you focus and specialize within one career you may miss other opportunities to earn money. This is understandable, but remember Jane was unable to support herself even though she had four businesses going at once! And this is usually the case. Focusing is the key to success as a creative entrepreneur.

Common fears that may hold you back from a true focus:

- **You are afraid you might make the wrong career choice and will never find enough work to support yourself.**
- **You worry that you may not be good enough to succeed.**
- **There is a part of you that whispers, “Who do you think you are? That career is way beyond your reach.”**
- **You take the path of least resistance in order to have immediate money, even when the money is insufficient for your needs.**
- **You are afraid to take a great leap into your dream career and instead wander off on a path that does not fulfill you emotionally, spiritually or monetarily.**

There are two kinds of fear: one that indicates danger and one that indicates a new and exciting adventure. When you know the difference, you can turn the excited fear into an energy that propels you forward. This is the secret of all great athletes and performers. Like them, you can use your fear as a catalyst to choose a career focus.

Am I a Focused Entrepreneur?

The following questions will show you where you are now in terms of focus, and the exercise will help you create a clear picture of the one area you want to pursue as you move forward towards a successful career.

How do I describe the type of work I do?

What do I consider my greatest expertise?

What other projects do I have going at this time that are separate from this expertise?

What would be my career focus if I didn't have to worry about money?

Do I have a day job I want to quit?

Can I answer the question “What do you do?” with a few short sentences?

What does my heart say it wants to do?

Exercise: Find Your Focus

The following exercise will help you get clear on where you are now in terms of your business and then help you find work that fits the four criteria of success in your field: talent, passion, money and growth. In the chart below you will rate your current career choices in the following areas:

- **I am really good at this work (talent)**
- **I really love this work (passion)**
- **There is a market for this work (money)**
- **There is a strong future for this work (growth)**

Your goal is to find a focus that meets all four of the above categories. This is a good time to be brutally honest with yourself. It may be you have a great talent and passion for what you do, but it’s not a viable source of income. Or you may be paid generously but you have no passion for the work and you dread even one more day of the project. It’s important to note that the goal of this exercise is for you to find an area of focus for your business, not a ranking for current individual projects within your focus. This would be a niche and is discussed later in the chapter. An example follows at the end of the exercise.

Directions:

List each type of work that you do on the chart below. Give a rating of 1-5 in each category listed with one as the lowest and five the highest. Total the points for each. If the work rates less than 16 points, it is not usually the area on which you should focus. The goal is to concentrate on a career that rates between 16 and 20 points. If two are tied, analyze them in more detail until you can truly choose your future focus. See *graphic on page 17*.

Work	Talent	Passion	Money	Growth	Total Score
Work	Rate 1-5	Rate 1-5	Rate 1-5	Rate 1-5	

It's not necessary for your focus to be perfect in every category. Look at the strength of your answers. Are you really talented and really passionate? Do you make really good money and have a focus with really good growth potential? Or are one or two of those criteria only mediocre for most of your offerings?

The results of this exercise may surprise you. So many creatives focus on the wrong area without knowing why their work isn't successful. Once you have a better idea of your future choices, you will begin to shape your business to deliver the product or service that best meets the combined criteria. This is when you take the plunge and let the other paths you have taken move to the background. If you are a creative who does have a specific career focus but would like to become more successful in your area, you will come back to this exercise and use it to find your niche.

Bob's Story

Here is a sample from Bob, one of my clients who has two different careers. He knows that he loves being a fishing and river guide, but he has never really focused on that career. Rather, he keeps taking on small, low paying jobs painting houses.

Work	Talent	Passion	Money	Growth	Total Score
Work	Rate 1-5	Rate 1-5	Rate 1-5	Rate 1-5	
House painter	5	2	2	3	12
Odds and ends construction	4	2	2	2	10
Fishing/ River Guide	5	5	5	5	20

I asked Bob why he would choose to work as a painter and construction worker when it was very obvious that working as a fishing and river guide fulfilled all four criteria for a passionate and lucrative business. This is especially true as he is known for his expert knowledge of Northwest Salmon fishing and history. He said, “Jackie, I know that I want to be a guide. I am the best around, especially on the river I float. I belong to associations and I have two boats and all of the equipment and licenses and receive excellent reviews from my clients. But I have to make money for my family. I am always sucked back into the painting even though I have to drive around town posting ads just to get work. Especially in the winter. I can’t see being a guide full time because I just don’t know how to find the time and resources and marketing ideas to keep it

going. I get energetic about it sometimes, but then start to feel overwhelmed and the next thing I know I'm back painting."

Bob had a decision to make. After we talked, he decided to stop driving around town posting painting flyers and instead create a plan to find fishing clients. He first called all of his former clients and said he would enjoy working with them again. Then he wrote an article for a fishing magazine that was accepted within a week after sending it out. He also started posting his opinions and advice on various online fishing chat boards, and he started working with a fishing gear store nearby the river he floats. Word got around that he was back in business, and he is now making much more money than he did painting. And most importantly, he loves what he does.

I always tell my clients that choosing a focus doesn't mean you have to immediately stop all that you are currently doing and rush blindly into a new career. There is certainly a transition time, but it's a transition with a purpose. You will decrease the work you do that doesn't fit the four criteria for success and increase your energy and talent towards your new body of work.

Jane's Story continued...

Jane tried very hard to make a choice between doing voice overs and developing speech training. She continually told me that she wanted a career in voice overs and shared that she eventually wanted to voice film animation. But she could not give up the money she was making teaching speech. Over and over again she would say she was committed to her voice over business, but then an opportunity would come up to "just teach one speech class." She would look at the "easy money" she was going to get for teaching and she would turn her focus to the class. An audition for a lucrative voice over contract came up, but Jane was too busy teaching. She had lost her momentum and another, more focused entrepreneur got the job.

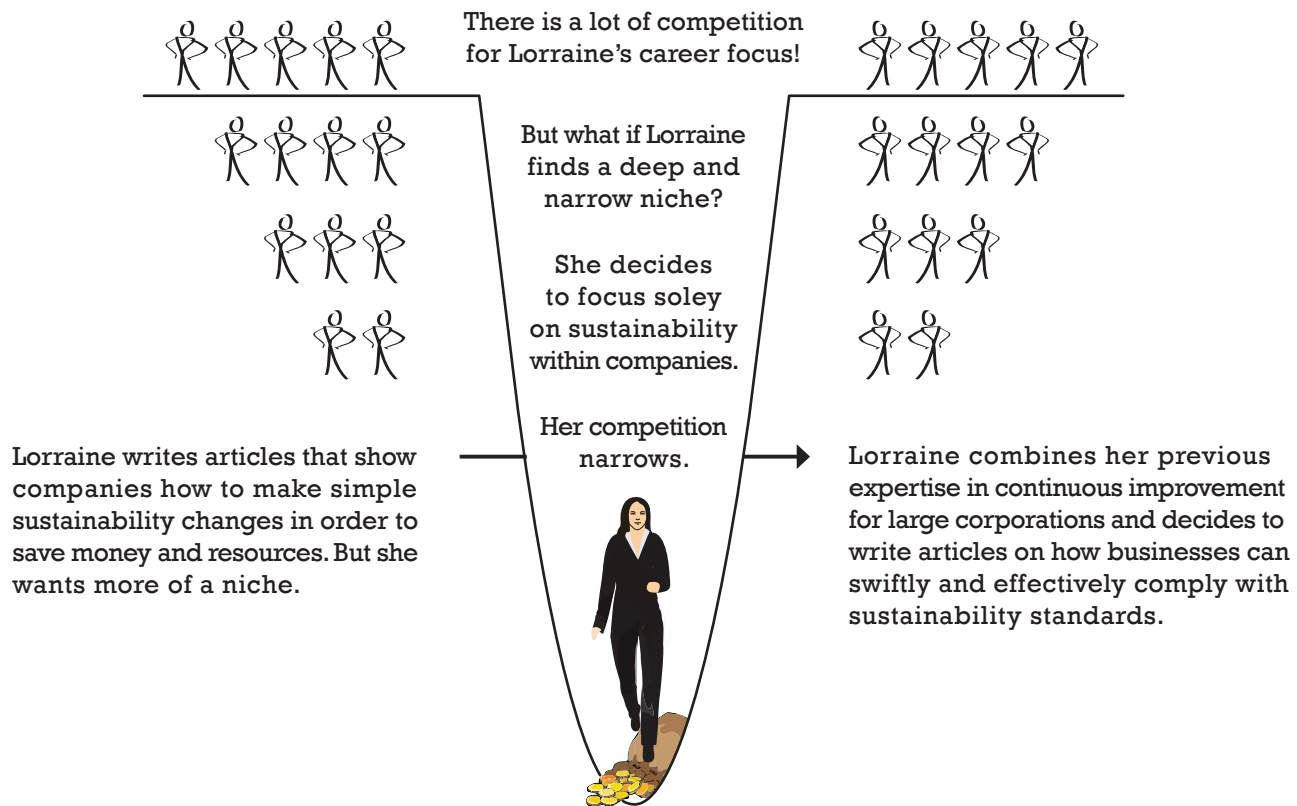
What work have you lost because of an inability to choose one career path?

Niche: The Gold at the Bottom of the Well

Once you have chosen a career focus, you can then turn your attention to finding your niche within that career. I define a niche as any special service you offer in your business that few others can provide. A niche makes you a 'go to' expert and allows you to command a higher price just for this reason. I call your niche the gold at the bottom of the well. Think of the successful creative entrepreneurs you admire. Do they specialize? Of course they do. In fact, the most successful creative entrepreneurs are so sure of where they fit in their career, they work in that area only.

The following graphic demonstrates how choosing a deep and narrow niche in your field leads to higher compensation, less competition and more clients. I use the example of my client Lorraine, a writer who wants to focus on a career in sustainable lifestyles. She knows her competition is high in this general field as many people write about sustainability these days. Here is an example of how Lorraine found a successful niche within the sustainable writing field.

Lorraine: Writer on the topic of green living and sustainability Opportunities: Magazines, Books, Websites, Blogs, Articles



**The least competition with the highest fees.
Lorraine's niche = Gold at the bottom of the well.**

As you can see in this example, a niche reduces your competition. When you offer a broad array of services within a career, you become vulnerable to competition at every point along the line. It's important to remember that having a niche does not eliminate the clients you really want. Instead, it winnows out those who do not serve you. A niche also makes it incredibly easy to market yourself. If Lorraine is at a business event and says that she works as a writer in the sustainability field, the listener will know what she means, but if she says, "I write books and articles on how businesses can go green in a short amount of time, even when they have limited resources. I am especially interested in helping businesses comply with world standards regarding sustainability," the listener knows that this is a writer who knows her talents and has taken the time to do what she does best. This is what leads to an interesting conversation, a valuable business connection and the promise of future work.

Write your 100% dream job here:

Finding Your Niche

If you are unsure of your niche, or would like to go even deeper into your chosen field, answer the following questions:

1. Is there some part of your body of work that very few people do?

2. Is there something that distinguishes you from others in your craft?

3. Is there some trend that you can see forming: a trend that is creating demand that as yet is unfilled?

4. Is there some part of your work for which clients are willing to pay a premium?

5. Is there some part of your work for where you are possibly the only expert?

6. Is there some part of your work that you love, it fulfills you and, when you do it people comment about it and refer you to others?

Joanne's Story

One of my clients, Joanne, has a very clear focus. She is a massage therapist. The problem is that there are literally thousands of massage therapists in the US. She consulted me about how to distinguish herself so that she could make a nice living doing what she loved. We brainstormed many ideas, when suddenly she said:

“What I really want to do is massage for members of rock bands. I have had this dream forever, of being hired by the bands that come into town to work with the musicians before and after their performances. I love the music and have a great admiration for them and how hard they work to entertain us. I have always had a secret dream of owning an Airstream trailer that I outfit as a massage treatment room, and use it to travel with the musicians and am part of their support system.”

Joanne certainly knew her niche. I have learned that many creatives have a dream they tell very few people about, usually because they are afraid of ridicule or having their idea dismissed. I have also learned that when someone is talking to me and they lean forward and say, “What I really want to do is...,” that they are finally speaking their heart, rather than what they have decided they must “settle for.” When I hear those words, my job is to help them figure out if it is possible to make that vision a reality. And it usually is with focused thinking, planning and determination.

Joanne and I brainstormed a lot about how she could make her dream come true. We made a budget and a plan. She began to let music agents, booking agents and clubs know that she was a massage therapist who specialized in working with musicians and that she would even be available at 3AM after shows and would travel if necessary. Her first big job was at a regional music festival. From there

she made connections to other venues and performers. She wrote a short business plan and borrowed some money to buy an Airstream trailer. She outfitted it as she had wanted, and soon she had secured a six week engagement traveling with a world-class musician. Her dream came true and Joanne developed her own niche that really didn't exist before. She is now known in her field and is paid well and doing what she loves to do.

Being as specialized as Joanne is possible. It might not happen overnight and there can be fear and self doubt along the way, but all change goes through these phases. Joanne decided that she was talented and experienced enough to be a great masseuse, passionate enough to voice her true career desires, dedicated enough to market herself fully and fearless enough to find the money needed to get started. And finally, choosing her niche made it possible for constant growth.

Take Charge of Your Career

You are truly in control of your career when you decide to focus and find your niche. Here are the benefits of following Principle #1:

- **You can easily tell others what you do. This eliminates confusion when you meet a business prospect or referral for the first time.**
- **Marketing becomes much easier as you know exactly where to advertise, who to talk to and how to get your ideas to the public.**
- **You can command the highest prices as you are the go-to expert in your field.**
- **Competition reduces significantly.**
- **Life is less stressful and you are happier because you know who you are and where you want to go in your career. This comes across to your clients and they will want to work with you and only you.**

Remember:

As a creative entrepreneur you are a talented businessperson who sees possibilities everywhere. Choose one and become a specialist in your field.

Ann's Story

I have a client, Ann, who is a woodworker, a carpenter, a very talented artisan. She started out doing general carpentry for a window manufacturing and repair facility. She found that she not only loved the work, but she had a real talent for it. Over time, she became a specialist in building and repairing wood sash windows. There are many old buildings and homes with wood windows in her area so when she quit her job and went out on her own, she decided to specialize in building and repairing wood windows.

Ann wanted to keep her practice simple- she did not want to build a business, which would entail hiring apprentices, training others in her trade, and then having them do the work while she became the manager and marketing face of the company. In that model, Ann would no longer have time to do the work herself; the actual work on windows would be delegated out to others

Instead, Ann chose the path I call 'being the business'. In this model Ann would develop her specialty into a deep and narrow niche where she could develop a reputation as the expert. Ann totally loved working with hand tools, not power tools and she did her best and most satisfying work when she was working on projects in historic buildings. She began to focus on projects with historic preservation societies whose main interest was rebuilding or restoring buildings back to their original condition. Ann found this work to be very satisfying, profitable and possibly more recession proof than general window replacement work.

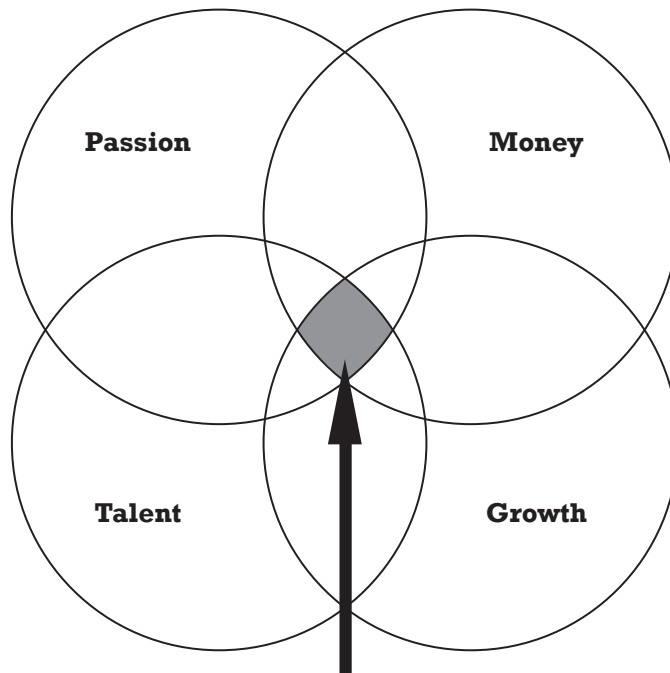
Ann built relationships with the government agencies that have a mandate to manage and preserve historic structures. To preserve buildings it is crucial that their windows be authentic, maintaining their original looks and style. Ann had found her niche. She began to market herself as an artisan who repairs and restores windows on buildings built before 1854. Why 1854? Because that's when power tools came into popular use and the windows built that way were no longer historically authentic.

All along the path to discovering and then naming her niche, Ann was uncertain that this was the right way to go. What she did know was that she loved this work, she had

pride in doing outstanding hand carpentry, she needed to make enough money to support herself and her family and she did not want to grow a business by hiring others and teaching them her skills- so that they could do the work while she ran the business. What she wanted was to do was the hands-on work itself and get paid enough to do it well.

Ann's first break came when a news reporter heard about her and filmed a feature in her shop. Ann got a copy and posted it on her web site. That publicity gave her the impetus she needed. Now potential customers could find her and find her they did. Her niche has been highly successful. When a local landmark was slated for restoration with federal funds, the selection committee told Ann that she was simply the only artisan they would hire to do the windows. They had seen her web site, checked her credentials then sought her out to give her a large federal contract.

Recently Ann told me she has sold her power tools. She no longer feels the need to hang on to them "just in case" because now she feels secure in her special niche. As a result of having a deep and narrow niche, Ann is now being solicited to do window preservation projects for buildings in other states. Ann has claimed her mastery in her field. She has become the out of town, go-to expert. She is soon to be featured on a Public Television program about the reemergence of artisans and fine craftsmanship. She expects this will forever secure her career.



"Sweet Spot"

Focus for your solo or creative business here

Business Principle Accountability

Four things I learned about myself or my business from this chapter:

1. _____
2. _____
3. _____
4. _____

Changes I need to make as a result of this learning:

1. _____
2. _____
3. _____
4. _____

My next step:

I commit to the following action:

By when: _____

Signature: _____ Date: _____



Principle #2

Articulate Your Unique Value Proposition

Successful creative entrepreneurs know how to clearly and succinctly tell others what they do. When speaking with a potential client, they are so sure of what they offer that the result is an interesting and lively conversation that lets each person know whether they can work together in the future. It may take time and practice for you to develop the confidence needed to describe your business skills and talents in this way, yet this is the #1 marketing tool for any creative. If you can't sell yourself in person, then it is doubtful potential clients will hire you, even if you do have a beautiful business card and website.

The best way to develop confidence in selling your product or service is to condense all of your business offerings into a short, succinct statement you can then use anytime you are speaking to a potential client. Some call this an elevator speech, but I prefer to call it a Unique Value Proposition (UVP) as it shows how you are unique from others in your field, the value you bring to your clients and how others might work with you in the future.

Alex Needs Clarity

Alex has worked as a business consultant for two years. He has clients and teaches workshops. He is always busy and people really like him. But when he came to our appointment and I asked him what he does, he went into a long explanation of all of the services he offers his clients.

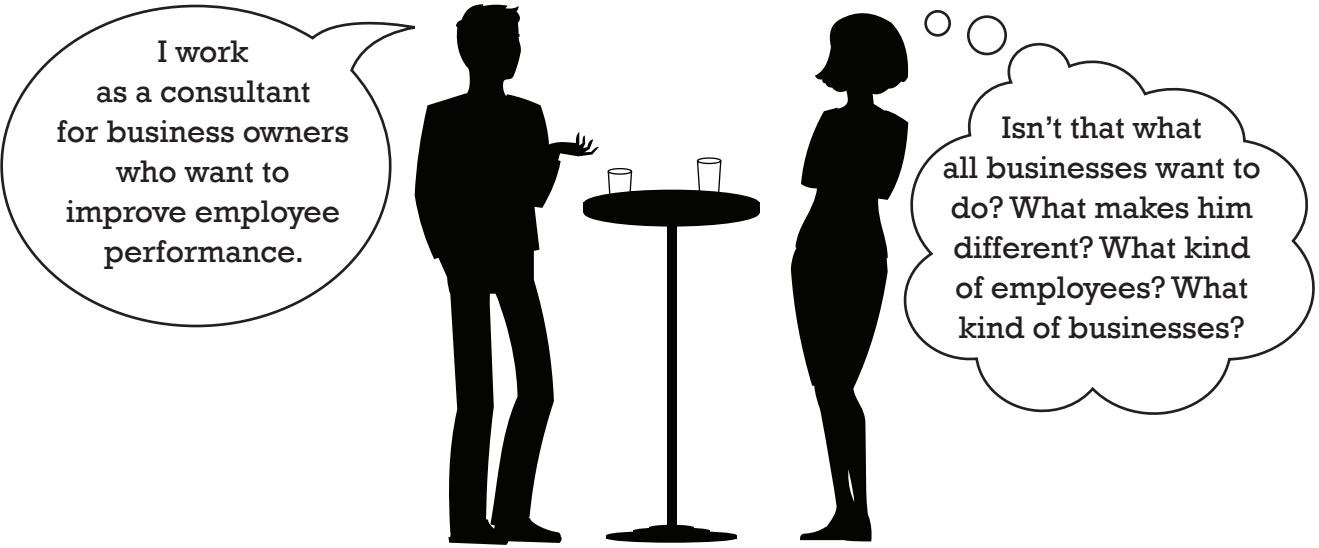
I specialize in helping businesses make more money while working more efficiently. I sit with them and help them get focused on why they make certain ineffective choices and what led them to these practices. I am good at spotting the mistakes that are costing them money. My specialty is employee behavior and how it affects a company. I guess my main work is encouraging my clients to go into

new territory without over worrying about it. I love what I do, but I can't seem to get new clients unless someone refers me. When I meet new people and tell them what I do, they seem interested, but no one calls.

If you heard Alex's description of his work, would you hire him? Would you even know what to ask him if you meet him, say, at a social or business event? Instead of knowing what he does and delving into the possibility of working together, you would probably need to ask for further, clarifying information about what he has to offer. I felt tired just listening to Alex's explanation and afterward I still had to ask, "Now what exactly do you do?"

In reality, Alex is quite successful once he gets a client. He has the amazing talent of being able to identify employee problems others can't see, and then provide sound business advice to his clients on the next steps to take. And yet, there is absolutely no way I could tell this from Alex's explanation. So why did Alex come to see me? Because he wanted to increase his client base and charge more money for the excellent services he offers. He was busy (but not always paid enough), often referred by others and supported by all, but he simply didn't know how to tell strangers what he did so that he could get new clients and increase his income.

Can you think of anyone like Alex who has been in business for years and still can't tell others exactly what they do? Alex truly has a problem. If he doesn't get clear on what he does and how he can be of value to clients, he will continue to be busy, but will never reach his financial goals. There is also the chance his friends and colleagues will run out of referrals! My task was to find out his talents, strengths and past successes, and then help him craft a UVP that created immediate interest in his work.



What is a UVP?

A unique value proposition (UVP) is often called an elevator speech and in many ways this is true. But I feel the UVP goes deeper. If you happened to find yourself in an elevator, face to face with your perfect client, this would certainly be a chance event and you would only have a few seconds to tell your story. However, a UVP is used in more typical business and social circumstances where you have more time to create a conversation. With a UVP you definitely choose your words carefully, but the approach and delivery are more natural than with an elevator speech. A UVP is not simply a memorized description of your work that you give at a networking event. Rather, it is the opening to a give-and-take conversation where you and the listener discover more about each other. In other words, a good, polished and practiced UVP doesn't sound stilted, but rather is delivered with a spontaneous feel. I always like to use actors as an example of those who regularly turn elevator speeches into UVPs. An actor will practice a script for hundreds of hours, but when on stage or being filmed, the delivery will come out naturally, often diverging from the script with a slightly different take each time. You certainly don't need to put that much time into your UVP, but you need to take it just as seriously. Here are the three elements of a strong UVP:

- **Uniqueness:** Clearly and passionately states your focus and niche and how your work is different from others in your field.
- **Value:** Confidently states the value you bring to any business collaboration.
- **Proposition:** Purposefully states how the listener can work with you. Working with someone is like a dance. You have to ask and then deliver the goods. If you don't propose how you can work with a person, they may be unclear on how they could use your services or tell others about you. Make it easy for someone when you meet them and actually propose their next step. Or ask the listener a question that naturally leads to the next step you envision them taking. In traditional marketing lingo, this is referred to as a "call to action."

Why is the UVP so Difficult for Creatives?

As I discussed in Principle #1, creatives often have trouble focusing and developing a niche. Thus it makes sense they would also have trouble crafting a UVP. When I work with my clients on how they can best present themselves to their own potential clients, I always remind them that they are the only person in the world who does exactly what they do. I say, "Remember, there is no one else exactly like you. A UVP not only explains what you do, it also articulates what makes you different, what you offer that no one else offers and why your work is of great value for the customer. Your uniqueness and value allow you to charge higher prices because your customers cannot find what you do anywhere else. This all needs to be reflected in your UVP. And yes, it is possible."

The Fear of Public Speaking

Most people fear public speaking. Maybe you do also. And even if you don't, it's not always easy or enjoyable to tell a room full of strangers why they should give you their money. Even professional speakers can have trouble marketing themselves with a UVP. I know, because some of them have been my clients!

Common thoughts that may hold you back from creating a successful UVP:

- **I feel fake when I go to a networking event and give a memorized statement.**
- **I can't put all that I do into one statement.**
- **I don't want to have to sell myself in front of a crowd. It's like being a politician.**
- **I'm shy in front of people.**
- **I'm scared of looking stupid or forgetting what I'm supposed to say.**

It's amazing that there can be so much stress surrounding a few sentences. But this is a reality for many creatives. Luckily, it can be fixed.

Write Your Current UVP

Imagine this scenario. You are at a party where there are unexpected business opportunities and you know you should take advantage of the situation. What do you say when you are introduced to someone and there is a possibility of a business connection? In the following space, quickly write your current UVP using five sentences or less. Don't think about it too much and don't worry if it's not perfect. Just write it.

Find the Passion

This time, forget all about your current UVP and what you think you need to say at an event. Instead, simply write down what you feel about your product or service. There is an example below.

Kathryn's Passion

I often feel I'm channeling when I write a book. I can be sitting there at my desk and it's like that automatic writing you see with a psychic or something. I even look up sometimes and think, where did that come from? I love to take a big, complicated problem and break it into steps and sections and write about it. I really love to do this with business ideas. When I first meet a writing client- it's exciting because I know there is a book in there and it's my job to get it out and put it in order. It's fun! My mind goes crazy when I hear a great idea and just know it would make a great book. I want them to have the same amazing experience I do when their book is coming together. After I tell people what I do, I always ask, "Have you ever thought of writing a book?" And we always have great conversations.

When you forget about the concept of a UVP and just write down what you love about your work, you often end up with the perfect content from which to create your UVP. Like Kathryn above, you may end up describing exactly what you do, why you are passionate about it, what makes you different from others in your field, and the clients you enjoy the most. This naturally leads to a way you and the listener might work together. Who would have thought that something so important to your career can be said in less than a few minutes!

Craft Your Perfect UVP

Being sure about your focus and niche is the first step to a successful UVP. Next, you must encapsulate this information into a few sentences that both explain what you do as well as reflect who you are. In the following exercise, answer the questions about your work. You will then use the information to craft your perfect UVP.

Write your product or service here:

How is your product or service unique?

1.

2.

3.

4.

5.

What special talent do you bring to your work?

1.

2.

3.

4.

5.

Who are your competitors?

1. _____
2. _____
3. _____
4. _____
5. _____

How are you different from your competitors?

1. _____
2. _____
3. _____
4. _____
5. _____

Who is your dream client?

1. _____
2. _____
3. _____
4. _____
5. _____

What target markets are you pursuing?

- 1 _____
- 2 _____
- 3 _____

4. _____

5. _____

Why should someone work with you?

1. _____

2. _____

3. _____

4. _____

5. _____

How can people work with you?

1. _____

2. _____

3. _____

4. _____

5. _____

What is your client's next step?

1. _____

2. _____

3. _____

4. _____

5. _____

What question can you ask at the end of your UVP?

1. _____
2. _____
3. _____
4. _____
5. _____

The above exercise will give you plenty of targeted and clear content for your UVP. I also encourage you to send an email to friends and ask them to answer the above questions about your work. This can be very eye opening!

You are now ready to craft your UVP. Use one or two sentences for each element below.

1. How I am Unique: _____

2. The Value I bring to any business relationship: _____

3. How I Propose that others work with me: _____

All great UVP's leave room for questions on both sides. What is your question to move the conversation along?

Remember my client Kathryn, the writer who often feels she is channeling her writing and loves to give her clients the same experience? Here is her UVP:

I work with executives who want to turn their business ideas into bestselling books. I really like to work with these clients as they are so clear on what they do and what they have to offer. They are good at taking directions! I say to them, "Books are a great way to increase consulting and speaking fees and they also put your ideas out there forever. Have you ever thought of writing a book?"

This UVP can expand as needed depending on the situation. If it's an appropriate setting, such as a one-on-one conversation at a dinner party, Kathryn also uses this as an opportunity to ask the question, "Do you write?" This always leads to an interesting interchange and the person either says, 'Oh no! I am not a writer at all!' and then laughs. Or as Kathryn tells me, "Many people say, 'Yes, I have always wanted to write a book!' I have found most of my clients from my UVP and then asking this simple follow-up question. It's a lot easier than putting an ad online."

Alex's Story continued...

I asked Alex a lot of questions on how he worked with specific clients. I learned about their issues and what techniques he used to help them. At our second session, I finally realized that Alex truly had a special talent: he quickly recognized the exact employee problem a client was facing even though the client had trouble saying what was wrong! The client had usually spent months trying to make changes, but then Alex would come in and say, "Your changes aren't working because you're not seeing exactly what is going on with the employee!" He sees the exact spot where their choices are costing them time and money. He then suggests changes- and sometimes these changes really hurt, but they try them because Alex knows what he's doing. Here is the UVP Alex and I wrote together:

I work with mid size businesses that want to do all they can to either retain, retrain, or let go of certain employees. I look for problems such as an employee who is draining too much time and energy from management or a frustrated employee who is not being rewarded enough for their excellent work. My clients call me an employee surgeon! I show them what is going well and if needed, show them how to cut out and fix the bad stuff.

UVP Delivery is as Important as Content

If your past attempts at quickly explaining what you do have sounded like you were reading from a script, don't worry. There are simple solutions. The first thing to remember is that you're talking about your passion and how much you love working in your field. When you tap into your passion, it's easier to deliver your UVP with ease and confidence.

Here are some strategies that can lead to a perfect UVP delivery:

- **Read it aloud to a friend.** Ask a friend their opinion on the emotion, excitement and passion levels of your UVP. Does it compel them to want to know more? You can then role play by having them ask follow up questions to your UVP, as if they were a potential client.
- **Practice in the mirror:** One of the best ways I have found to practice your UVP is to go into the bathroom, shut the door and talk to the person staring back at you in the mirror. You may be talking to your harshest critic, and if you can talk to this person, you can talk to anyone! Look that person straight in the eye and tell them what you do and why they should choose to work with you. Remember, your statement has to be clear, concise and compelling so that the listener will ask more questions or take action.
- **Adjust your content and delivery:** A good UVP is fluid. You may have different ones you use depending on the audience. And you will definitely change and modify your UVP as you become more practiced. When something works—i.e., it hooks the listener into asking questions and expands the conversation, try to remember exactly what you said and say it that way every time. Eventually this will become a statement that you can say as easily as, 'Hello, my name is...'



You may ask if all of this is really necessary. Do you really have to create a UVP as a creative entrepreneur? Absolutely! But it doesn't have to be uncomfortable or stressful. If you think about it, a Unique Value Proposition is simply the beginning of a great, passionate and interesting conversation between two people who want the same thing: a successful business collaboration.

Take Charge of Your Career

Creative entrepreneurs know the importance of presenting who they are and what they do in a clear and interesting way. Here are the benefits of following Principle #2:

- **You become memorable.**
- **You can easily give a concrete example of your product or service.**
- **Business conversations turn into a friendly exchange between equals.**
- **You radiate clarity instead of confusion.**
- **Your listener is interested and wants to know more.**

Remember:

You are unique and people want to work with you. What you offer has terrific value and it's up to you to present yourself clearly and passionately to the world.

Marian's Story

Marian is a former concert pianist who now teaches classical piano. I recently watched a colleague of mine ask Marian what she does. She said, "I teach and play piano." The inquirer said, "Oh," and moved on. The conversation stopped. Marian had not said anything that intrigued or interested the listener who was

probably thinking, 'I don't need a piano teacher, no one I know needs a piano teacher and no one I know is a piano teacher, so I will find someone else to talk to.'

I told Marian I had heard her answer and used the interaction as a coaching opportunity. The inquiry made by my colleague was genuine, but because of Marian's answer, the person had nothing to say in reply- unless that person happened to want a piano teacher! Marian made her answer sound very uninteresting. What I know that my colleague did not know is that Marian is an extraordinary piano performer who has a passion for playing classical music performed with energy, fire and vitality and she always passes this enthusiasm onto her students. When Marian teaches or plays, it is not a passive experience. She has a similar fire in her teaching and her students (and their parents!) love her. She is a woman full of emotion, excitement and soul. I also know that she has a very special and unique clientele because she teaches the very young beginner. Now if Marian wants to find more customers and become a more financially successful artist, she must articulate her UVP all the time to all who inquire. Any random conversation could lead Marian to customers or to connections that will help her career. She needs to say, "I worked as a concert pianist for many years and I now teach others how to be concert artists. I focus on stage performance skills as they are just as important as learning notes. I specialize in the very young student- usually around four years old." Can you hear the difference?

One statement leaves the listener feeling "ho-hum- there are a lot of piano teachers out there!" The other statement leaves the listener curious and wanting more information about Marian's career on the stage, how she teaches performance skills and how it's even possible to teach a four year old! And if she is passionate enough when she talks about her own performing, there is a good chance they will ask if she still gives concerts. This second UVP expresses the passion Marian has for her art and makes it easy for the listener to ask follow up questions that lead to a conversation. If Marian had delivered a strong UVP, my colleague probably would have asked for her business card, learned more about when and where Marian will next be performing, and maybe looked up her web site and purchased a CD. Marian could have attracted another customer. It's true that my colleague may never need a piano teacher, but there is a good chance she knows parents who do. And there is no doubt she will never forget a woman who was a successful concert pianist and is good enough to teach classical piano to a four year old!

Business Principle Accountability

Four things I learned about myself or my business from this chapter:

1. _____
2. _____
3. _____
4. _____

Changes I need to make as a result of this learning:

1. _____
2. _____
3. _____
4. _____

My next step:

I commit to the following action:

By when: _____

Signature: _____ Date: _____



Principle #3

Avoid Mission Creep

Successful creative entrepreneurs are able to say no to work that doesn't fit their business mission. They are secure in what they want to do and know that if they stick to their mission, they will always have enough work to keep them financially stable. Saying no to work that takes them in the wrong direction means they can say yes to more lucrative and rewarding work when the opportunity arises. Unfortunately, many creatives say yes too often. As a result they easily lose focus on their true business mission. Those creatives who do not say no and ultimately lose track of their determined path suffer from what I call 'Mission Creep.'

Does this sound familiar? I believe mission creep comes from two sources: a fear that the work you want is not attainable, and more importantly, a fear that there will never be enough money if you follow your dream. When you give in to mission creep, you are always settling for less than you are worth.

Tammy Needs to Make a Choice

Tammy is a new client of mine who is by education a computer science and math major. She worked in that field for five years before letting her right-brained self come forward in the area of interior design. Tammy is a talented designer and after seven years she now has a store full of beautiful items as well as a growing practice. But Tammy is in trouble. Tammy sees so many possibilities and so many opportunities that she can hardly sit still. She does a little of this and a little of that, following every new idea that comes along. In addition to her interior design work, she has remodeled her building, invested in fix-up real estate and has even designed new products she wants to manufacture. Tammy is fully entrenched in mission creep!

All this activity is not working for Tammy. Lately she has not been able to successfully maintain any of her enterprises. She is out of money and scared. The problem is that Tammy can't say no. She says yes to every opportunity that presents itself, following every creative idea that comes to her. No one thing alone ever gets the full attention of Tammy's fresh, creative mind. By not taking the time to solidify one activity before starting another, she has endangered all her business endeavors. I told Tammy that in order to save her business, she needed to focus on one thing only. I gave her some serious homework and told her she had to choose one direction in her business and stick to it. Otherwise she was in danger of losing it all. After a few meetings, Tammy decided to focus on her store.

Why is it So Hard for Creatives to Say No?

All creatives are tempted to take work outside of their mission, particularly early in their careers when they are not absolutely sure what it is they really want to do. Later on, as they gain some reputation and self esteem around their work, they are less likely to take on jobs that don't conform to their mission.

Mission creep can also happen because of a fear that if you don't take the first thing that comes along, you will remain poor and without work forever! You may not believe that you will really be able to find enough work to make the money you want, and so you follow the path of least resistance. Often this means not taking the time to find the right clients, which can take you so far afield you may no longer remember what it was you loved and originally wanted to do. To stay on focus, it's imperative that you learn to say NO to those opportunities that are not right for you.

The common results of mission creep:

- **You become all about ideas instead of focusing on finishing a project.**
- **Your future is influenced by quick choices instead of thought out plans.**
- **Before you know it, you're on a different path and are not sure how to get off.**
- **You are truly a dabbler in your industry instead of an expert.**
- **You are very easily distracted.**

When you can say to yourself, "No, I am not going to do things that deter or deflect me from my goal," you will discover that you have the time and energy to find the projects that deserve a yes.

Mission Creep True or False

Please answer true or false regarding your past and or present working behavior.

I have taken work that doesn't fully use my talents because it was easier than really getting out there and finding the work I want.

True False

I stay where I am because I am scared to leave what I have, even though I don't like what I am doing.

True False

I am easily distracted by new projects.

True False

The beginning of a project is more exciting than finishing and then marketing a project.

True False

I talk about my dream work instead of single-mindedly pursuing it.

True False

I can write a really good action plan. My problem is I fizzle out before I follow through.

True False

I envision more than I act.

True False

I am always busy, but I am not as focused as I would like to be.

True False

I don't have the time I need to really go for it- my other jobs have to come first. Who will pay the bills!

True False

I am a renaissance person- it's a good idea to have a lot of projects going at once!

True False

If you answered true to any of the above, you are in danger of mission creep. While it may be easier to stay where it's safe, with just enough money coming in to pay the bills, this is neither as stable nor as financially rewarding as what would happen if you turned all of the above statements into false ones.

Set Long Term Goals and Avoid Mission Creep

It's true that you need a focus and a clear niche to make a successful career as a creative entrepreneur, but how do you stay on that path when it's so tempting to branch off into something new? One way is to think of both your short and long term goals: three-months, six-months, one-year and then five-years. If you have goals this far into the future, it's clear you will need to work diligently on one mission only. You simply cannot reach a five year goal if you branch out in all directions. Next, you must make a commitment to say no to anything that significantly takes you off your path, including outside opportunities and even your own creative self if you get too excited (i.e., distracted) by something new.

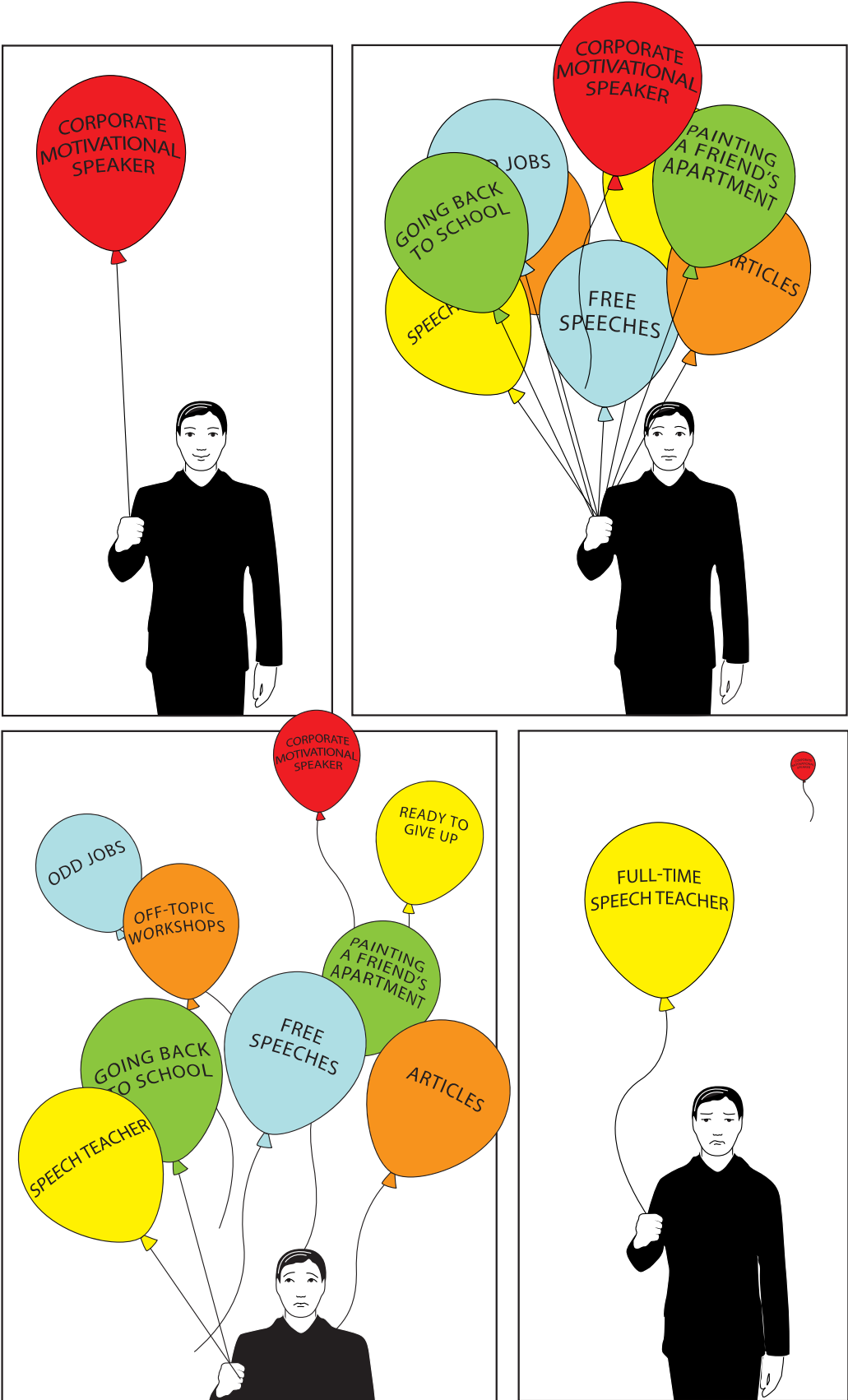
My client Adam is an excellent example of someone who is constantly distracted by mission creep. When we first met, he told me of his goal to be a world class motivational speaker. Two years later I gave him an exercise that helped him see why he was still no closer to achieving that goal. The exercise involves finishing three simple statements. Here it is with Adam's answers first:

My ultimate work as a creative entrepreneur is...

to be a world class motivational key note speaker for executive conventions who regularly makes \$5000-\$10,000 a day.

My current mission creep projects are...

substitute speech teaching at a local community college, spending time at a speaking group even though I am more advanced than the class, coaching writers, going to happy hour to talk about work, making lists of what I need to do to be a professional speaker, small audience speaking that doesn't lead to connections or bigger jobs, reading books on speaking, writing and revising business plans, spending time with social media and email that doesn't follow my focus, surfing the internet for speaking opportunities and then feeling overwhelmed, no follow through when I get a lead, and any other project that keeps me right where I am.



If I got rid of as much mission creep as possible, I could...

Create a speaking web page that includes three main speech topics, testimonials, an MP3 sample speech, videos of sample speeches, etc. I could choose conferences for the next year, find out their application process and deadlines and go forward with my proposal, find speaking opportunities around town that fit my focus, interview a speaking booker, call three target organizations, ask everyone I know if they have ideas on where I can speak, join the National Speaker’s Association, spend every day working towards my goal of being a world class professional speaker who regularly makes \$5000-\$10,000 a day. When I continue to do all of these tasks, not only will I easily find my own speaking gigs, I will also be ready for any speaking opportunity that comes along.

Like Adam, you will have to decide where you want to be this time next year, as well as the years later, and then diligently stick to your path no matter what distractions come along. I find it interesting that if Adam let go of his exhaustive mission creep busyness, he would easily have enough time to do all of his speaking activities. The last time we met I told him I was concerned that if he didn’t make a choice now, his future choices might be dictated by money alone, instead of his passion. He assured me he was on the right path and had already started making the changes needed to reach his goal. I hope one day to be in the audience for one of his keynotes.

It’s now your turn to do the exercise:

My ultimate work as a creative entrepreneur is:

My current mission creep projects are:

If I got rid of as much mission creep as possible, I could:

But What if I Need Money Now?

Here is the big question: How are you supposed to spend all of this time working towards your future goal if you still have to support yourself? The answer is not complicated: you take the minimum time needed to make enough survival money and then spend the rest of your time focusing on your goal. Taking short term work in order to pay the bills is not necessarily mission creep. If you do this work truly on a short term basis and still keep a laser beam focus on your business goals, you can get back on track easily once you find the right project. Mission creep means you consistently take work outside of your direct mission or take a long term job in a completely different direction. Doing either of these things would require you to give up your creative entrepreneurial dream and turn it into what I call 'the beloved hobby.'

Please know I do understand that it is extremely tempting to go for the easy money when money is tight, but I encourage you to make your choices with a very careful eye on the future. It you want to be a successful creative entrepreneur, you will often need to make painful and temporarily uncomfortable choices to move your career forward. The following exercise will help you evaluate each and every new project that comes along, whether it is from your own idea or an outside offer. Think of this as the mission creep detector.

Learn When to Say Yes ... And No

What is the project I am considering?

1. Does it fit my mission?

Yes No

2. Does it fit my long term plan of how I want my work to be seen and known?

Yes No

3. Will it lead easily to the kind of referrals I want for my business?

Yes No

4. Will it support my focus and/or my self esteem?

Yes No

5. Will it satisfy my creative spirit?

Yes No

6. Will it fulfill my goals?

Yes No

7. Will it pay me a substantial sum or fee?

Yes No

8. Am I the best qualified person for this project?

Yes No

9. Is it more than simply an exciting diversion?

Yes No

10. Is it the best use of my time?

Yes No

Score every yes at five points.

40-50 points - Take the offer, do the project

20-40 points - You should really think carefully about this; it would probably be a better use of your scarce resources to work on developing your expertise or your niche rather than doing this project.

Less than 20 - Do not do this project.

You can visualize this exercise each time a new idea pops into your head or something sparks your interest. Thinking rationally about an idea before you turn it into a project always prevents mission creep.

Tammy's Story Continued....

Not all stories turn out the way I would like. After Tammy and I worked on her one-year plan, she said she felt a lot of relief just focusing on the store. She saw she had become very financially vulnerable and that she was in danger of losing all of her businesses if she didn't change soon. She agreed that she couldn't keep buying new items when she wasn't selling what she had. I felt she was going in the right direction, but unfortunately, Tammy was pretty used to the hectic life of the creative. The buildings and new items were exciting. She felt a rush when she bought something new and always justified it as she was sure it would sell quickly.

When the economy changed and sales decreased on discretionary items, Tammy was not ready for the change, especially when she was unable to continue paying the rent on her building. Instead of focusing on the store and really working our plan, she went in other directions to bring in more money just to keep the store going. The mission creep continued. Eventually, Tammy stopped coming to our sessions. I hope she knows that I have no judgment when a client decides to go in many directions, but I do wish she had tried our plan for at least a few months. I think she would have been surprised at the results.

Here are some ways you can say no when someone presents a new mission creep opportunity:

- **“Why thank you for the offer! It sounds great, but I am focusing on my (...) business right now.”**
- **“That does sound interesting. I know that we worked on something similar in the past, but I am now focused on . . . Maybe we can work together on my current project?”**
- **“No thank you, but I have a colleague who may be perfect for the job. Here is his card.”**
- **“No, but thank you for thinking of me!”**
- **“Niet, nada, non, nein, iye, bu.”**

If you have the habit of saying yes to anything as soon as it is suggested, here is the best possible phrase to use every single time: “Thank you for the opportunity. I need to think on it for a few days and will get back with you. When would be a good day to call?” And then you can clear your mind, think rationally and call back and say, “No thank you. I am very excited about my current work and want to make sure I stay on focus.”

Take Charge of Your Career

You're truly in control of your career when you recognize and say NO to mission creep. Here are the benefits of following Principle #3:

- **You quickly reach your goals as there are fewer distractions.**
- **You are proud of yourself and your work because you are creating at your full potential.**
- **There is much less confusion and self doubt.**
- **What was once tempting is no longer even on your radar.**
- **Saying no becomes very natural and guilt free.**
- **Your work is very exciting and rewarding.**

Remember:

When you are single minded, focused and determined in your career choice, you will not easily creep into another field.

Marcell's Story

Mission creep is also possible within your focus. For example, my client Marcell is an excellent and creative cook who started a catering business out of his house. His goal was to cater high-end, at-home parties for clients who didn't have to worry about money. He had the same thought that many would have in his situation: "Where and how am I going to get access to high end clients?" I then reminded him that *someone* has to provide delicious food at these events, so why not him? He is just as talented as any other caterer. Together we created a very realistic plan to find high end customers. We decided to focus on executives and sports stars in the city where he lived.

He started with great enthusiasm, but the next time I saw him he was in a pretty low mood. Business was slow, and he told me, “Jackie, I was offered a full time job at a downtown hotel. The money is good and I think it would be a very stable place for me.” I looked at Marcell and said, “If you take this job you are giving up on your dream. You won’t be catering to the basketball players or executives, and you will likely not find your work challenging and interesting. I suggest you hold out until you at least land your first big client. Even though it’s really hard right now.” He listened and decided to continue his basic catering work at night to pay the bills, but spent every spare moment looking for his perfect client. When a friend recommended he call one of the physical therapists who works with the city’s professional basketball team, he made his first contact and it went very well from there. He had the drive and focus to stay on one path and only one path. And it paid off nicely!

Business Principle Accountability

Four things I learned about myself or my business from this chapter:

- 1. _____
- 2. _____
- 3. _____
- 4. _____

Changes I need to make as a result of this learning:

- 1. _____
- 2. _____
- 3. _____
- 4. _____

My next step:

I commit to the following action:

By when: _____

Signature: _____ Date: _____



Principle #4

Avoid the Time/Money Squeeze

There is always more money, but there is never more time.

Successful creatives know how to get the best return from each hour they work. They know exactly how long it takes to do a project and how much they must charge in order to earn enough money to cover all their personal and business expenses as well as make a profit. Creatives who are aware of this avoid what I call the time/money squeeze.

The time/money squeeze occurs when the hourly time spent on a project does not return enough money to make a livable wage. This can lead to frustration, resentment and self depreciation. It can also manifest physically and make you sick. It will certainly diminish the quality of your work and eventually cost you both jobs and referrals. And yet, the choice is all yours. As a creative, you choose the hours and you quote the price. So why not get it right?

Ramon Needs to Track His Hours

My client Ramon started his full service publishing company with a great plan. Ramon is a bestselling author and knows what work is needed to produce a beautiful product. He understands the elements required for each book and has a great team of contract editors and designers to help with the publication. Ramon also has knowledge of electronic books and online publishing, and he keeps up with the rapid changes taking place in the publishing industry. He was very excited to get his first few clients, but when he came to see me, he explained that he was working much longer hours than expected and that a quote he gave for a particularly large project was far too low.

The first thing I did was ask Ramon to make a list of every element that went into producing a book. He quickly gave me the list and as I looked over it, I realized something was missing. Ramon did not include any of the logistics that come with all businesses. I asked him, “Did you factor in the initial client interviews prior to beginning the job? How about the time it takes communicating with the client, as well as your editors and designers?” He said he hadn’t thought of his hours in that way. I asked him more questions about how he was using his time. He said, “I am not paid by the hour, so the more time I have to spend on the smaller stuff, the less money I make. And the fact is I am running out of hours!” I knew it was time for Ramon to closely examine how much time it really takes to get a book on the market.

Why is it so Hard for Creatives to Keep Track of Their Time?

Creatives resist and often don’t even think about tracking their time. When immersed in the creative process, it can be distracting to have to write down your hours every time you change a task, project, client or direction. Nobody wants to punch a time card! Remember, if you are not sure of the dollar amount that goes towards every hour you work, you run the risk of not making enough money to support yourself. This is true whether you charge by the hour or product, bid on a contract basis or produce commissioned pieces. Never forget that in terms of business finances, the only exchange that matters is the exchange of your time for your client’s money.

Common thoughts and behaviors that can easily lead to the time/money squeeze:

- **You believe that no one will hire you if you raise your prices to get paid enough for your time.**
- **You believe that you can do a job more quickly than is possible.**
- **You price at the level of your least expensive competition because you’re afraid you will not find enough work.**
- **You underestimate the amount of time it will take to do a job.**
- **You fear that you’re really not good enough to charge what you are worth.**

Are You Prepared for Every Project?

Do you know exactly how long it takes for you to plan, start, work on and then complete a project? For example, if you were a painter and were asked to bid on a faux finishing paint job in a high-end restaurant, what would be your hourly fee after adding up all of the hours spent designing, driving to paint stores, talking with the client, doing the project and then possibly doing touch ups? It is very common for creatives to forget to add these extras into their projects. The following exercise will help you think of all that goes into a project that requires your time.

My fees include time to meet with the client and plan the job.

True False

My fees includes travel and set up time.

True False

My fees includes the actual time it takes to buy materials I need in order to do my work.

True False

If applicable, my fees include review meetings where I deliver a progress report and discuss the project with the client.

True False

My fees include time to make changes and correct errors.

True False

My fees include time for email and phone exchanges in order to discuss the project.

True False

If I work by the hour, I charge the client for all of the applicable hours spent on the project, not just the actual creation.

True False

Ramon's Story continued

After I asked Ramon to list all of the potential time and money drains he forgot to include in his publishing bids, we determined that he spent three or more hours a week just communicating with his editor and graphic designer. There were phone calls about illustrations, layout, time lines and other issues that came up regularly. Ramon found that email made it all too confusing, so he often communicated with his sub-contractors by phone. This actually saved some time. When it was close to production time, there were at least five hours a week of extra work. I asked him if there were any more areas that surprised him when he actually took on his first project. He said, "Yes! I didn't realize how much extra time it would take to get a final draft ready. I spent at least three hours extra per week than I had originally planned talking to the author about the meaning of certain ideas. In this business, I have to first go over the original chapter files sent to me by my client and get them polished. Then I have to send them to my editor, get them back and perfect the chapter as a whole. After that I send the completed chapter to my graphic designer. When she is done I get it back and send it to the client as a final proof. Then there's a chance I may make even more changes after the client reviews it. All this needs to happen before each chapter is ready for publication. I can't believe how much work I simply missed in my bid."

I looked at Ramon and told him that he just described eleven hours of unaccounted for work each week. He responded, "I know! I also didn't count in the time it takes to interview a potential client to see if we can work together. That is at least 90 minutes. And I haven't even thought of the time it takes to advertise, network and find clients! As an author, I have been so used to publishing companies doing all of this for me, I didn't realize how much work it would actually be." Ramon knew he had some big changes to make.

Strategies to Avoid the Time/Money Squeeze

As you saw with Ramon, there can be dozens of hidden costs in your project. The following strategies will help you see the time it really takes for you to complete a project. You can then adjust your prices to make a true profit.

Strategy #1: Track Your Time

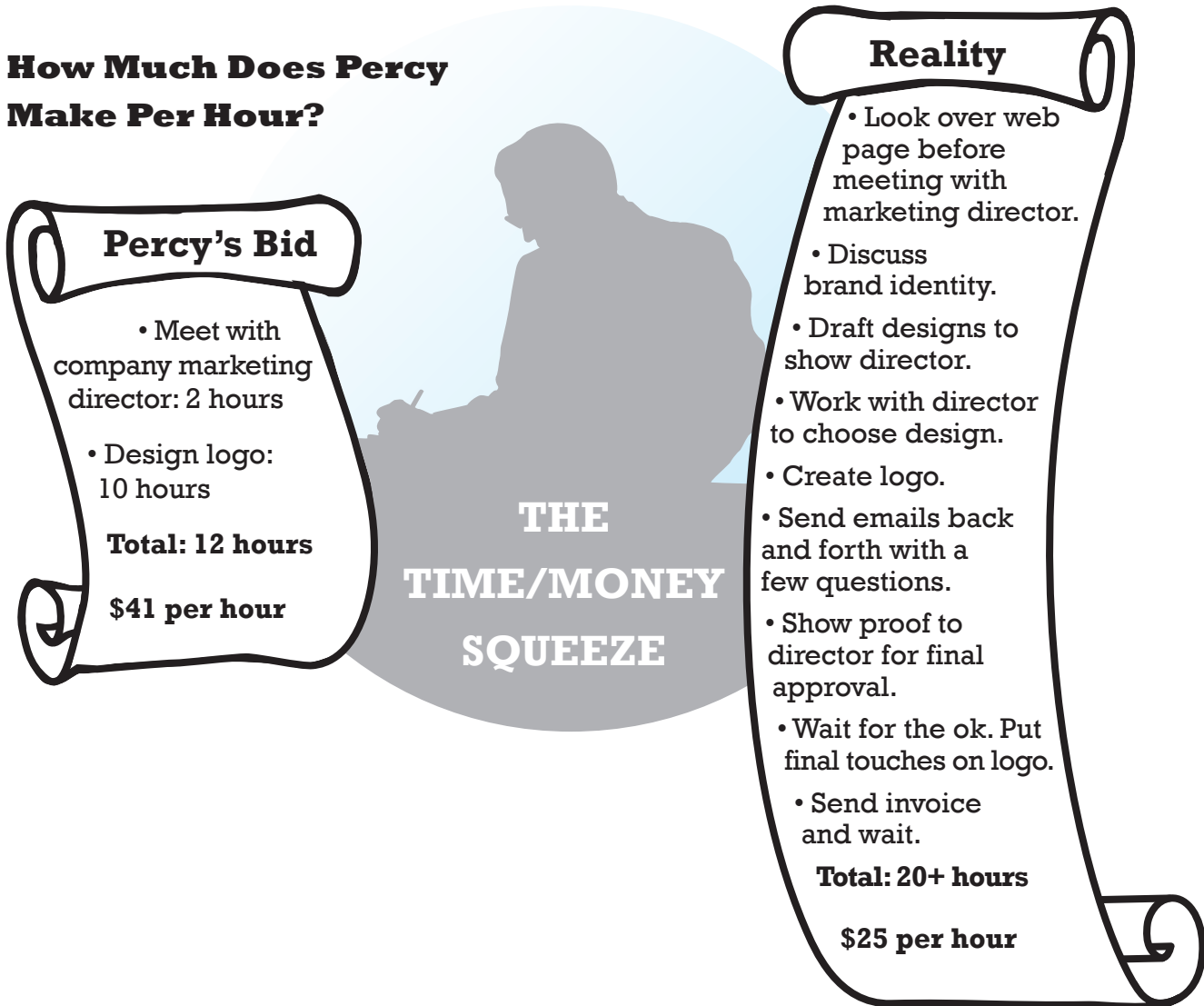
Know exactly how long it takes to do a project. If you have a tendency to underestimate how long it takes you to do any work, double the time and go from there. At least you will not be fooling yourself. If you find a task is taking you too long, set a time limit and work within that limit. You can also use a timer and write down the finished time in a spreadsheet. This will let you see how many distractions you face in a day. How often does your phone ring? Do you spend an hour throughout the day answering email? This all adds up. When you start a new project, break it into sections and write the time you think it will take right next to the project title. You will be amazed at what you can learn.

Try the above for one week. It is the only way you will become aware of where your time goes. You will probably discover you were missing the administrative, support, coordination and communication aspects of your work that consume a lot of time even though they may come in small increments such as a 10 minute phone call. Tracking your time will make you better at estimating the cost of a job and quoting prices. It may also help convince you that you need to charge more per hour or look into administrative help.

When I began my consulting company, I would bid on projects by sitting down and listing times for all the steps I would have to do to deliver the job as promised. After losing money several times, I learned to use the following process: Once I created an original time estimate, I would put it aside for 24 hours. When I looked at it again, it was with less excitement and more realism. My experience told me I was going to have to regularly meet with the client in order to update them, which meant I would have to write reports, deliver them, arrange the meetings, etc. I learned over time that clients usually want to make changes mid-stream, and that we would have to discuss these. I also needed to make my own corrections, manage my staff, coordinate my sub-contractors, make appointments etc., in order to administer the job. Usually, when I added all the likely administrative and coordination time in, my original time estimate would double. And that was the estimate I would deliver to the client. That was also when I began to make good money.

Percy is a recent design school graduate who charges \$500 per logo. His goal is to make at the least \$50 an hour for his work.

How Much Does Percy Make Per Hour?



As amazing as this might seem, there are many creatives who give a flat rate for a product without thinking of the quite considerable logistics that go into every project. Percy made far less than \$50 an hour on this logo design. Yes, he has a reference and a nice graphic for his portfolio, but he is in business to make money and it's not working. He now has to change the way he does business. He has a few options. He can give himself a time limit on each logo, adjust his standards and accept that perfection is not possible, charge by the hour or—the best choice in my mind—develop a deep and narrow niche and raise his prices. No matter what he decides, he can't keep going in this direction. He simply is not making enough money for his time.

Strategy #2: Charge Top Dollar for Your Work

Most of the clients I see are undervaluing their time by charging too little for their products and services. This of course will not create a sustainable business. I am always amazed at the resistance I get when I suggest a fair market price for a client's work. Many are shocked and wonder how they could possibly charge so much! I always point out that others in their field do it, so why can't they? You may feel a similar trepidation about raising your prices and do so by raising them a little at a time. This is also a mistake as you are still undervaluing your work if you don't set a reasonable and competitive price for what you do. Remember, if you undervalue what you do, your clients will as well. Raising your prices shows that you are very aware of the quality you offer and are strong enough to ask for what you are worth. Clients respect this trait and often work harder to meet your expectations when they know they are working with an expensive and accomplished professional.

Strategy #3: Learn What Your Competition Charges

When you know what your competition is charging, you will not be so afraid to raise your own prices to match or come close to theirs. Make a list of other providers in your field from whom your customers might buy products or services. Then, do your research by going to their web sites to see what your competitors say about themselves. They might post their rate sheet or their prices so you can compare your rates to theirs. They might offer service packages or combinations or special prices on services that you should know about.

Once you have identified the range of fees charged for services in your area of expertise, set your rates at no less than 85 to 90% of the top end of the market. Remember that a creative entrepreneur cannot possibly afford to be the lowest-priced competitor. Leave that to Wal-Mart! If you do not charge enough, you will have to work way too many hours to cover your costs and you will not have any cushion to carry you when times are slow.

Ramon's Story Continued

Ramon impressed me a lot. Once he got the concept of the time/money squeeze he made immediate changes. He created a handbook with all of the steps needed to publish a book. He made one for his authors and one for his editors and graphic designers. He set a policy for emails and phone calls with a set time per day they could all check in. He worked with his graphic designer and came up with a set time she could spend on each design. In other words, he knew they could not be as elaborate and detailed as they both wanted, but there had to be a compromise and time had to be cut. He set a standard formatting for all of the books he produced and realized he didn't have to offer a one-of-a-kind design to each client.

Once Ramon knew exactly how much time it took to publish a 200 page book, he was able to create three book packages he could offer clients based on the book's length. And finally, he substantially raised his prices. Ramon knows that he is a high end niche publisher who only works with certain clients with a higher income. It was hard for Ramon to make the decision to raise his prices. He said, "Before I even met with someone and told them what I now charge, I had this vision of them either running down the street screaming or laughing in my face!" This is not what happened though. As Ramon works individually with clients at a premium price, he is able to find clients who know the value of his work and are willing to pay for his time and superior product.

Strategy #4: Leverage your time

Though I always encourage my clients to charge a high end price for their valuable time, there are only so many hours in a day. If you sell each hour, you will hit a ceiling at some point. But if you learn how to create more money for each hour you work, this is called leveraging your time. For example, if you hold a seminar and bring in 50 participants rather than the usual 10, you have leveraged your time well. Look around your particular field. How have others leveraged their time? How do they do the work one time and sell it again and again? Do they make CD's? Do they sell books? Do they sell prints? Do they consult? Do they speak to large audiences at conferences? There are many possibilities that you can explore within your niche while still remaining true to your original idea. Remember the concept of the gold at the bottom of the well? This gold is even more valuable if you can work less to attain it. Many successful creatives write books on their specialty in order to create passive income. When you create a product to support your work, you will never have to create that product again. It can continue to generate revenue as you pursue other areas of your field. Whether you create recordings and videos on your expertise or hold a webinar for 100 people, you are leveraging each hour for maximum return.

Strategy #5: The Waterbug Model: Outsource Your Work Successfully

An important lesson of the time/money squeeze is that the business model for the creative entrepreneur differs greatly from the business model for the traditional entrepreneur. Here are the differences:

The Traditional Entrepreneur Business Model



As a creative entrepreneur you have total control of your enterprise. When you begin to hire employees, you move away from the hands-on making of your product and begin to spend your time overseeing and managing staff as well as business functions. What happens as you build a business in this traditional model is that the business entity itself becomes your work and you become disconnected from having the time to design, offer a service or create your art or craft.

If you do create your own product and service and then decide you want to expand the business by hiring others, your business will soon follow a traditional model. Your business plan must help you streamline production and hire employees to do the creative work as you move “up” the business pyramid to ever greater management and leadership positions. An example would be a dress designer who creates individual items at first, but then rents a studio, hires employees to make the clothes and hires a marketer to help her sell the line to a chain store.

The Waterbug Model

The traditional entrepreneurial business model is often very frustrating if you’re a creative, as managing people and dealing with the logistics it takes to run a business will move you farther away from a hands on project. The business model that does work for creatives is what I call the Waterbug Model. In this model, you are the center of your business and willingly hire sub-contractors to do the work that is outside of your experience and expertise.



The Waterbug Model Explained

One of the greatest benefits to leveraging your time and pricing yourself at a high hourly rate is that you will have the extra income to outsource your support and administration work to these sub-contractors.

The tendency of the creative is to personally take on all the tasks to run their business because they feel they don't have the money to outsource to other professionals. I have heard clients say, "I need a website, so I will have to build it myself." or "I need to do my bookkeeping. I guess I will have to learn Excel." This is a misguided direction. Instead, it's better to spend your precious time creating your art within your niche while charging a good price for your work. You can then contract those who have the knowledge and skills you are lacking. What could be better than having a relationship with another creative who promptly delivers exactly what you need? Your business probably doesn't require outsourced services full time, which is why the Waterbug Model is such a good fit for all involved. This model allows you to spend your time doing what you do best. It's not a drain on your finances. It's the profitable choice.

Three Waterbug Steps

1. Track your time and the sub-contractor's time. I know I say this constantly, but it's the most important point for a creative entrepreneur to remember: your biggest asset is your time and your time is limited. You can never successfully track your Waterbug costs if you don't know the time a project will take for yourself and your sub-contractors. Otherwise you may end up working for \$10 an hour on what seemed like such a great project at the beginning. (If you're cringing here because you've done many projects without calculating the time needed first, you're not alone. But change is possible and essential.)

2. Estimate the cost for sub-contractors. When you know the time a project will take and how much a sub-contractor charges, you can estimate how much you will pay out and then use the information to develop your project budget.

3. Follow your cash flow daily. You can't wait until the end of the month to figure out how much cash you have or don't have. In order for a project to continue, you must know what is happening daily and what needs to happen in the future. As a result, you will know how much money you have available to outsource your work. Cash flow planning is explained in detail in Principle #5: Develop a Business Mindset.

What if I Don't Have Any Cash to Use the Waterbug Model?

Think about this. You are now using this book as an outsourcing tool. You didn't have to travel, hire, or research anything before you bought this book. You have basically hired me (a business sub-contractor) to help you with your work which has started the outsourcing process. This doesn't have to be expensive, nor does it have to be one on one. It can be a group coaching over the phone or taking a course. You can barter, work with an intern or hire on commission. Get creative. The goal is for you to quickly recoup your investment. For example, when a bookkeeper shows you how to save money or a sales agent gets your work into a gallery, it creates more time and money for you.

Results from the Waterbug Model:

1. You don't waste your precious creative time on activities you can outsource to others.
2. You stay in your niche and avoid mission creep.
3. You create a community of sub-contractors and a team of supporters you can work with in the future.

Take Charge of Your Career

Here are the benefits of following Principle #4:

You are truly using your time wisely when you understand the exchange between money and time.

- **Each work hour moves you towards a positive income.**
- **Your work will be more satisfying and less frustrating because you will be able to spend more time doing the work you love instead of worrying about money.**
- **You will receive the money you want for each hour worked.**
- **You can create products and services that make passive income.**
- **Your prices will reflect the quality of your work.**

Remember:

Every hour you work has a specific dollar value. It is up to you to determine the value and then make sure your fees are in alignment with your desires.

Rosemary's Story

My client Rosemary is a fabulous jewelry designer. She offers one of a kind pieces that her clients love. Her problem is that she spends so much time creating each piece, she can never make the money she needs to live comfortably. She recently did the necklaces and earrings for a wedding and said it was a horror story. "Jackie, I had everything ready to show the client after our initial phone call. I went over there with drawings to discuss the project. The client liked my ideas and ordered necklaces and earrings for each of her bridesmaids. There were five. I was very clear that the custom design meant the original was the custom and that each bridesmaid would have the same necklace and earrings. We discussed the color and neckline of the dresses. I then asked for a time line and we ended the meeting with a contract. I asked for 25% up front. This seemed like a pretty straightforward project. I had my design, knew my materials cost and how long it would take to make each piece. She heard my prices without protest and I went home feeling good."

As Rosemary told me this story I cringed a bit. I knew there were some questions she forgot to ask the client and that there would be far more work in this project than expected. I asked her if she took the 90 minute meeting as well as the travel time as part of her cost. She said, "No, I have always thought that was just set up time."

The next time I saw Rosemary, she told me what had happened. "I am not kidding when I say this was a nightmare. The client called me constantly with questions. They changed the dresses once, each bridesmaid wanted different colored crystals on their necklace. The client wanted to see the jewelry in process and would come over and make suggestions. I received emails that said she was just checking in. It was terrible. I factored in the cost of my materials and then bought them from my wholesaler. There was no way I could get extra colors and a wholesale price. I had already started the pieces. So I went to my local bead shop and got some extra crystals at retail price."

I could see Rosemary's profits dwindle the more she talked. She continued, "Eventually I was so angry when I was making my jewelry, I just wanted to quit. The project was taking at least a third more time than it should have and I got so mad at the client! She was a true bridezilla! But then I realized she wasn't. This was all my fault. I didn't stick to my original deal and say no to the changes. I certainly didn't factor in any extra time outside of my actual jewelry fabrication."

I added the cost of my supplies, but I definitely didn't value my time. When I was done with the project, the client received some gorgeous jewelry, and I made about \$25 an hour on the project. Never again!"

This story has a happy ending. Rosemary and I talked about the changes she absolutely had to make if she wanted to be a professional designer. I explained the time/money squeeze and made my own list of the areas I saw the project just draining money and taking too much time. We created a spreadsheet that showed how much each piece she creates actually costs. We set a \$100 value to each of her hours and went from there. When she added in the cost of supplies, the time it took to actually make the product, ordering time, design time, initial contact with client, cost of her office, gas, interaction with the client through email and the phone, measuring her clients, her jewelry became very expensive!

This is fine as she often works with clients who have money. But she also knows she wants to work with those at a mid income level, so she hired an assistant who orders the supplies, answers all phones and emails and works directly with the clients. She then really took the plunge and hired two women to make the jewelry. This cut down Rosemary's work time considerably so that she could continue to design and sell her beautiful custom jewelry. I believe that Rosemary has set up a perfect situation and will soon have her own jewelry line. Rosemary now has the time to create what she loves and enough income to support herself comfortably. She is much happier and told me, "It is so nice to get paid for every single hour you work on a project."

Business Principle Accountability

Four things I learned about myself or my business from this chapter:

1. _____
2. _____
3. _____
4. _____

Changes I need to make as a result of this learning:

1. _____
2. _____
3. _____
4. _____

My next step:

I commit to the following action:

By when: _____

Signature: _____ Date: _____



Principle #5

Develop a Business Mindset

Successful creatives think like entrepreneurs. They respect the value of money, understand how it can support them personally and professionally, and enjoy making a good living from their offering. They know that money gives them the time to do the work they love. These creatives also respect the importance of diligent attention to the financial numbers that reflect the current state of their business and indicate whether they must continue or change in order to remain successful.

Being the Business

As mentioned in Principal #4, creative entrepreneurs are not like traditional entrepreneurs whose objective is often to build up a business then realize their wealth by selling it for a profit. As a creative entrepreneur, *you* are your business. What you make and sell is of your own creation, and the business is dependent on your efforts and creativity. Because the business cannot operate without you, it's not possible for you to sell it to realize wealth. It is therefore extremely important for you to create a business that not only provides you with enough income to support yourself now, but also enough additional income to invest in assets outside your business that will eventually provide for your future.

Creative: *An individual who creates a product or service with their own mind or hands.*

Entrepreneur: *A person who makes money from a business.*

Creative entrepreneurs alternately wear a business hat and a creative hat, and they know when to wear each one. Remember, you are your own boss. You do not have the support (or the stress) of a company policy, so you need to create your own system for running a profitable business.

Theresa and the Expensive Scarves

When I first met Theresa she showed me a beautiful knitted scarf with a row of perfectly wire wrapped beads at each end. Theresa told me that she was not able to make a living with the scarves and didn't know if she should continue her business or cut her losses and move into another area. She said, "I was the first one in my city to come up with this design and thought I had it worked out how I would sell them for a profit. I'm a mom and wanted something I could do on the side to make money while I was taking care of the baby." Right then I knew that though Theresa was obviously very artistic and committed to quality, she had entered her business as a creative and not an entrepreneur.

Why is it so Hard for Creatives to Develop a Business Mindset?

I have found that creatives often have very interesting beliefs and behaviors around money. Some fear that there will never be enough money. Others believe money will have a corrupting influence on their art. Many simply ignore the financial aspects of their business and just hope that they are pricing their goods and services appropriately. Unfortunately, hope is not enough. Developing a business mindset involves hard facts and figures. Of all of the principles in this book, this one will affect your business the most. Luckily, learning to appreciate the role of money and how it flows through your business is not difficult.

Common beliefs that may hold you back from developing a business mindset:

- **You need an MBA to understand good business practices.**
- **You are no good with numbers.**
- **You are too busy being creative and don't have time for the business side of things.**
- **Being an entrepreneur is a necessary evil. You only want to focus on your creative product or service.**
- **You are an artist, and artists rarely make a lot of money.**

Where did these ideas come from? There is a very good chance they are not purely your own, but have also come from society or those around you.

Finish these statements regarding money:

Money is...

Creative people who make a LOT of money are...

Creativity and money are...

My relationship with money is...

My reason for being an entrepreneur is...

I believe that my future around money is...

If I had a abundance of money, I would ...

Did you learn anything interesting?

Do I Have a Business Mindset?

Now is a good time to find out where you are in terms of your business mindset. Answer the following questions with a “yes,” “no” or “working on it!”

I know exactly how much money I need to support myself per month both personally and professionally.

Yes No Working on it

I have measurable business goals that I track weekly, monthly and yearly.

Yes No Working on it

I know exactly how much it costs and how much time it takes to create an individual item such as a painting, finished cabinet, website or piece of jewelry.

Yes No Working on it

I know how much I need to make per hour from my personal service in order to support myself.

Yes No Working on it

I treat my work as a business and not only as a creative project.

Yes No Working on it

I am very aware of my competition and know what they charge, who they have as customers and how they market their services.

Yes No Working on it

I believe in my ability to make a healthy profit with my business as I already have a business mindset.

Yes No Working on it

After answering these questions you are probably either very proud of yourself or laughing at the thought of how many changes you need to make. It is not unusual for creatives to answer only a few of these questions with a yes. Of the many exercises in this book, this one may be the most eye-opening. I can't repeat this enough: until you become more than just an artist, artisan or expert in your field, you will have trouble being financially successful. It is essential that you become a serious business person and a true entrepreneur. Your goal is to answer yes to all of the above statements. And remember, this is a mindset change. The transition may take some time.

Theresa's Story Continued...

In my next conversation with Theresa, I asked her for some basic numbers. How much did she charge for each scarf? Her answer didn't surprise me. At \$35 per scarf, it was a low price and one I knew simply wouldn't work even before we talked about her financials. She explained that the \$35 was all that the market would accept. I then asked how much it truly cost to manufacture the scarves. She quoted me a price that included materials, her design time and the time it took to actually create the product. She said, "I hired two high school students and was very pleased with the quality of their work. I bought the yarn and beads at wholesale and figured out that I could make a \$20 profit with each scarf." I asked her if she had counted the time it took her to do trade shows, develop an online marketing presence, and communicate with the students she had hired. She told me she had and that she realized that \$35 a scarf simply wasn't sustainable. This was the reason she came to see me. Theresa had herself in a bind for many reasons. As we talked further, she explained that her husband paid most of the bills and that she started this as a side business without really thinking about how much money she needed to make in order to meet her personal and business expenses. She did not start with a business plan, a specific price to charge or the number of scarves she needed to make in order to reach her goals.

Do What You Love . . . But You Will Need a Plan

You may be very clear on what it is you offer. You may know your product or service well. But do you know what your financial goals are for your business? Are you aware of the exact amount of money you need to make in order to continue doing what you love for a

living? I believe the saying, “do what you love and the money will follow,” has led many people down a creative path without giving them the necessary business skills needed to *actually make money* doing the work they love. Here is a fact to remember: Your business must meet the amount of your personal and business expenses with enough left over to save for your future and build wealth.

Five Strategies to Develop a Business Mindset

The strategies below are all about money, time and financial responsibility. Please remember that money is a positive and powerful part of your business. It represents energy and when it's in the positive, it gives you the ability to focus on your creativity and passion.

Strategy #1: Write Down Your Financial Goals

All businesses need financial goals. In my experience, successful creatives have a specific number in mind that they want to make per month (and per year) and they write this number down and think about it often in order to keep their business on track. What is the amount you would like to make in profit from your business per month? Write the number down below and make sure you don't tell yourself it's impossible. Anything is possible.

My monthly financial goal: \$ _____

The following strategies will give you the tools needed to determine the amount you must charge for your product or service in order to meet this goal.

Strategy #2: Know Your Monthly Personal Expenses

Quantifying your monthly financial expenses is an essential step in creating a business mindset as this is the minimum amount needed to support your lifestyle and wellbeing. This includes rent, food, insurances, entertainment, auto, and debt payments, etc. This amount should also include some money for activities that give you artistic and creative renewal. I used to think that most of my clients would

know this number exactly, but they don't. As a result, they don't know the essential information they need to make a living. Once you know your basic numbers, you should then add the monthly amount you want to put into savings for retirement, plan for emergencies and create reserves for future growth and development. There is no reason to be scared of these numbers. They are just a tool to take you where you want to go financially, and when you clearly know the exact amount it takes you to live and plan for your future, the relief can be wonderful. I say you should absolutely do what you love, but do so with clear financial strategies.

Strategy #3: Know Your Monthly Business Expenses

Sometimes creatives are afraid to look at the numbers required to run a business and as a result feel inept and totally unorganized. It does not have to be this way. I have shown many creatives the simple steps explained below and they have all been able to determine the true cost of running their business.

A. Know your fixed business costs: These costs represent the money you pay out in order to run your business. Fixed costs include studio space, supplies, utilities, phone, internet and website costs, as well as fixed product costs such as the price of materials, business skills improvement, and taxes. Be sure not to minimize your needs for outsourced help in bookkeeping, web services, and marketing. These are crucial areas of expenditure without which your business cannot grow and thrive. This is not a complete list, but it gives you an idea of how you can determine the costs that stay relatively stable.

B. Know your intangible business costs: Here is where many creatives make a serious business mistake. They forget to add the cost of intangibles into the cost of running their business. Intangibles are the behaviors that take hourly time and can include: designing, creating a product, driving, gas, communicating with clients and shopping for supplies, etc. Remember, when you work with a client you must charge for each hour you directly work on the client's project. This includes all of the hours it takes to communicate with the client as well as the time it takes you to deliver your product or service. If you can't charge the client directly, the cost of these non billable hours must be covered in your billing rate. In terms of your overall business activities that are not directly related to a specific client or product, you must know the hours it takes to market, network, work on your website, use social media and any other activities needed in order to promote your business, etc. These hours add up and you must be paid for each one, whether you add them into your hourly rate or the cost you charge for each product.

Determine Your Hourly Rate

Take your personal and business expenses, add them together and divide by the number of hours you work (or plan to work) per month. If you are not sure of the hours, use 100. I consider 100 hours to be the average billable hours for most of my clients.

The number you come up with is what you need to make per HOUR to meet your basic goals. If you are not able to directly bill for the hours you work each month, the hours you can bill must be at a high enough rate to meet your expenses.

Personal Living Expenses (includes savings goals) _____

Business Expenses: \$ _____

Total Monthly Expenses: \$ _____

Total Monthly Expenses / 100 = \$ per hour: \$ _____

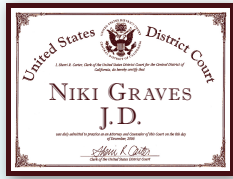
It is such a great feeling to know what you need to charge in order to make a good living. When you have this number, you are truly being the business and creating a wealthy future.

Your Fees Represent the Value of Your Work

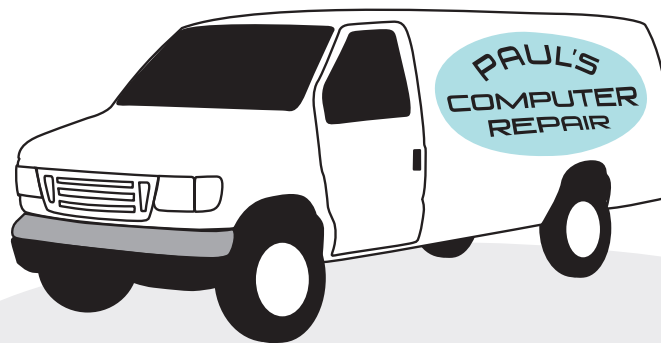
We often joke about lawyers and how they charge for every little item they use to prepare a case—right down to a stamp for a letter. I say good for them. It's admirable to charge for all that you do when working with a client, from actual face-to-face time to the hourly intangibles that go into each project. Unfortunately, many creatives have a tendency to undervalue their services and undercharge, often from guilt or fear of losing the work. I ask my clients, "Is your work as good as the work of lawyers, plumbers and other well paid professionals who charge a professional fee? Yes? Then you need to charge in a similar way."

Niki and Paul Price Their Services

My fee is \$300 an hour for a total of four hours, which includes the time for all of our phone calls and emails. I also charge \$25 for postage. The total cost is...\$1225



Well, I was only here for 20 minutes, and the job was so easy. I can't charge her for that! She will think I am trying to rip her off. Plus, she's so nice. I would feel bad handing her a bill for \$50. I will charge \$25. That seems more reasonable."



The difference here is that Niki understands the value of her time and what she offers to her customers. Paul charges so little, he will be perceived as not being very good. When someone like Paul hands me a significantly underpriced bill, I often want to ask, "Are you really that bad at what you do?" The solution is to set your hourly rate reasonably high and charge for all the hours you work directly with a client. This is the only way to create a sustainable business.

Theresa's Story Continued...

Over the next few weeks, Theresa and I concluded that there was simply no way her scarf business was viable. She realized that she would have to move into mass production of her product in order to get the production costs down. But even with these changes, she would never be able to charge enough to make much of a profit. The time she currently spent marketing the scarves ate into any hourly wage she hoped to make off of the project. I pointed out that the bead work alone was not viable as she basically had five pairs of earrings on the end of each scarf that many people would sell separately for much more profit. She then admitted she was bored with the business as it was the designing she truly loved and not the manufacturing. And finally, she told me that she had no idea what she needed to make if she took her personal expenses into account. Theresa, like many creatives, tried to turn what I call a beloved hobby into a sustainable business before she knew how much she had to make to even break even. If Theresa had run the numbers first, she would not have started the business at all. We agreed that she needed to stop what she was doing and move into another direction that would meet her financial needs. I asked her what she learned from the process. She replied, "I wanted to create something beautiful and make enough money off the project to contribute to my family. I just didn't know what I needed to do before I even started the project. If I had, I only would have made the scarves as gifts." I was happy that Theresa and I worked this out before she took too much of a loss on the business. I know that her next venture will be well thought out and much more likely to succeed.

Strategy #4: Manage Your Cash Flow and Create a Cash Flow Plan

After you know your monthly fixed business and personal numbers, you need to examine the way you bring in and pay out cash for your business in order to generate a profit. The first step is to compare a cash flow plan to documents you may already know.

1. Financial Reports and Profit and Loss Statements: These provide a historical perspective on your business, your transactions and your profitability to date. These reports are often used for taxes, to report to lenders and for you to know how well you have been doing so far this year.

2. A Cash Flow Plan: Measures the dynamic flow of money in and out of your current business and into the future. It includes your current cash in the bank, incoming cash from current projects, what you owe and estimated cash from future projects. As a creative, you don't get monthly paychecks which means there is little indication of how much cash is actually profit. Because of this, a dynamic and honest cash flow plan is essential. It is then used for the life of your business as it gives you the numbers needed to decide if you should say yes or no to a project. It also helps you predict how much future work you must bring in to reach your financial goals.

Why Don't More Creative Entrepreneurs Have a Cash Flow Plan?

Shockingly, only around 5% of my clients have cash flow plans. It's as though they are either scared of what they will find or somehow think their business will be okay if they are working and money is coming in. Many creatives lose track of their money as they tend to receive payments at various times. They often see any money taken in as profit without carefully charting where the money must flow out in terms of personal and business expenses such as paying for sub-contractors and paying themselves.

Four Steps to Create a Vibrant Cash Flow Plan

A successful cash flow plan starts with the following numbers:

Fixed personal expenses: _____

Fixed business expenses: _____

Step #1: Create a Cash Flow Pipeline: A pipeline represents the flow of cash that goes in and out of your business. As the cash flows through the pipeline, you will then subtract your personal and monthly expenses as well as cash paid out to any Waterbug sub-contractors you hire. The cash that is left after this process is profit.

When you divide your true hours of work by this profit, you will know your hourly rate. The cash flow plan is naturally more complex depending on the number of projects you have going through at one time, but the concept stays the same. Remember, you must have enough cash at the beginning of a project to cover immediate expenses and then bring in enough cash to fully fund the remainder of the project.

How do I Keep My Pipeline Full?

The sign of a strong pipeline is that you have marketed your work well enough to have potential clients waiting at the beginning of the pipeline. As you will read in Principle #7 marketing every day is essential. You may have clients at the beginning of your pipeline who are ready to go when you have the time, or prospective clients whom you hope to work with in the future. It often takes time before a friendly contact or a client recommendation turns into a meeting, a proposal and hopefully a contract. To clarify, projects for which you have an initial payment go into the pipeline. Those you are soliciting will stay at the beginning of the pipeline and not enter until a deposit has been received. You may have many different types of projects in your pipeline at one time, but they all have to be tracked in order to create your cash flow plan. The goal is to keep your pipeline full with current and future projects while managing all of the cash you bring in. Without this process, your work may dry up and you may wander into mission creep and take on work that is not part of your niche, simply because you need to add cash to your pipeline. This is where charting your time is essential, so that you don't take on too much work or charge too little for what you do.

Step #2: Promptly Collect Your Money: Cash flow success means you bill promptly either before or after your work is completed. The best policy is a percentage up front, a percentage when certain milestones are reached and a percentage upon completion. I've found that a signed contract that carefully lays out the project terms, time and cost is essential. Do not be afraid to talk about money! Every client knows you are working to provide excellent work AND to support yourself. They expect to talk about money and go over contracts.

Step #3: Promptly Pay What You Owe: It is really important that you calculate and promptly pay what you owe personally and professionally. This can be difficult if you mix all of your money together and pay from one account. The best policy is to have separate business and personal accounts. This means all business money goes into one account and cash is then transferred to your personal account. This will let you know what it costs to run your business every month and how much profit is there for your personal use. This may be hard at the beginning, especially if you're not meeting expenses, but it's an important practice to learn.

Step #4: Create a Cash Flow Document: A cash flow document is a numerical explanation of the pipeline you either write in a ledger or use a program such as Excel to create. Think of your cash flow document as a way to keep up with your business in terms of cash. It's very common for creatives to know where they are on a project: A bowl needs to be glazed, three new coaching clients need to be scheduled or a chapter is due on a book, but it's rare that they have a document that shows the true state of their business in terms of money and time. The cash flow plan never lies - and the truth, even when it's painful is better than not knowing. This also works in the opposite way. It may be that your business is thriving, but you would like to work less hours. A cash flow plan helps you figure out what you would need to charge in order to work less and still make a comfortable profit. If this feels overwhelming or you want to get started but are not sure of the process, Ramon's updated story continues after this principle. His interesting business experience explains the cash flow concept step by step.

My client Simon has his head in the sand: *When Jackie first showed me the cash flow plan I needed to fill out, I was too embarrassed to even start doing it. I don't have money in the bank and I'm struggling to build my clientele. I knew that a responsible business owner would be doing this. I thought, but I have NO money to put on there, why would I even do it. I didn't want to see the paltry numbers right out on paper. I was honest with Jackie and she explained that cash flow planning is essential no matter how much money I'm currently making. She pointed out that I still have to pay for my fixed (i.e. regular and repetitive) personal and business expenses, so I can start with those numbers. Even if I only had five dollars left! And if I don't have enough money to support myself, I know changes are needed.*

Should I Hire a Bookkeeper to Help with My Cash Flow Plan?

In terms of the Waterbug Model, a bookkeeper can be an excellent addition to your cash flow plan. They can help you find a clear picture of your current situation and then create a system you can use to either enter your own numbers or work together on the project. A bookkeeper can help you save money by recognizing and preventing financial mistakes. The goal is to make up the cost of the bookkeeping service with the money saved. In terms of the pipeline, bookkeepers can stop cash flow leaks. Ask your fellow creatives who they are using for bookkeeping. References really help. Find someone whom you can talk to and whose explanations you understand. Don't hire people who talk to you in jargon and make you feel inferior. Once the bookkeeper has a system set up, working together regularly for a short period of time should be sufficient. It also helps to find a financial person who expresses interest in your business.

Results of a Successful Cash Flow Plan

- You can bid for your projects based on understanding and planning project times, hourly pay and profit. This makes it easier to know if you should say yes or no to a project.
- A thriving cash flow plan brings relief. Even if you are upset by the numbers, at least you will know the reality and what needs to immediately change.
- You'll feel pride in your work due to always getting paid what you're worth.
- A cash flow plan will save you from taking on projects that break even or lose money. The more diligent you are with cash flow, the better you will run your business.
- You can easily answer the question - Where does all of my money go? And Wow! Where did all of that profit come from!

Strategy #5: Seek Out Financial Advice and Support

It really is possible for you to figure out your numbers with just a piece of paper and a calculator, but of course that will not be enough as you make needed changes and your business grows. If you find this part of your business stressful or unappealing, this is the perfect time to get some help. I suggest you hire a bookkeeper to keep your monthly numbers straight as mentioned earlier. If you think you don't have the money, please know that the amount a bookkeeper can save you most often pays for the cost of the service in full. You can also visit small business organizations and meet with someone like myself who will help you discover your numbers. It doesn't have to be a difficult process, but it does have to be done.

Strategy #6: Think Like an Entrepreneur and Say Yes to Wealth

I have said many times to my clients that my goal is to help them build wealth and that does not mean they get to drive a yellow Ferrari. Wealth by my definition means living well by having both the time and the money to create your desired life. Think of wealth as having work you love where you are paid well and receive your desired recognition. Wealth allows you to spend time with your family, friends and community and to further develop your talent and skill. Having wealth means you can have a cushion for future downturns, own a home, travel the world, give to a non profit, send your children to college, purchase health insurance and provide for your retirement, just to name a few of the benefits of "wealth". I encourage you to never forget the benefits of making money on your creative work.

Here is why:

- **Money takes the pressure off and lets you truly create and do what you enjoy.**
- **It's easier to charge what you're worth if you're not desperate for money.**
- **You will not have to take on work that doesn't fit your business goals.**
- **You can focus on savings and not subsistence.**

What's Next?

Like Theresa with her scarves, you will have many choices to make once you truly know how much money you need to bring in per month. This amount will tell you if you currently have a sustainable business or if you need to make immediate changes. Your smartest next step is to fill out the exercises in this principle, even if you have to estimate the numbers the first time. These amounts represent your future success.

Take Charge of Your Career

You are truly in control of your career when you decide to develop a business mindset. Here are the benefits of following Principle #5:

- **You feel more relaxed and able to create your product and offer a service.**
- **You have a business that operates as it should.**
- **Instead of worrying about how you will support yourself, you will know exactly what it takes to support yourself**
- **You can make choices based on solid information about what is possible.**
- **And most importantly, you will know the exact numbers needed to calculate how much you must charge for each product or each hour you work.**

Remember:

You must place as much focus on the business of making money as you do on the business of being creative.

Ramon's Story Continues...

We first met Ramon the writer in Principle #4: The Time/Money Squeeze. We discussed how he must track his hours in order to give realistic bids to his writing clients. The next time Ramon and I met, I was very proud when he told me he had raised his rates from \$50 to \$75 and then to \$125 an hour. Ramon was all smiles when he sat down at our appointment to tell me about his new project. "Guess what Jackie. I got my big deal. \$20,000 to write a book for my client Jake." I knew this was a huge accomplishment for him and I could see how proud he was. When I asked him how many hours it would take to do the project and what his actual profit would be, he said, "Umm. It feels like \$20,000 is plenty of money, it's only a three month project. It's not full time work." I then had to ask him a tough question. "Do you actually know how many hours it will take per month and if you will still make your \$125 an hour?" He said. "I haven't really worked it out on paper." That's when I knew he was in deep trouble and was about to get a really big shock.

I said, "Ramon. I don't want to be too hard on you, but you have to do a cash flow analysis before you take on a project. Otherwise, you can't figure out your profit as we talked about when we first met. Here is what you have to know:

1. How much of the \$20k goes towards your personal and business expenses for the three months?
2. What part of the \$20k goes to your Waterbug sub-contractors for the project such as an editor and graphic designer?
3. How many hours will you put into the project per month in order to know your work time invested for the three month project?"

Ramon said, "Oh no. I don't know. I feel sick already. I've worked so hard to get here and just saw the \$20,000 and didn't think about anything else. I just forgot to do all that you've taught me." We then sat down and did the work. (I always suggest that a creative entrepreneur have a long term cash flow plan at least six months into the future. But as I wanted Ramon to get the basic concept of the cash flow process, we started with a one month plan that he could then project over the three month project.) To start the process, we calculated his business and personal expenses.

Ramon's starting numbers: (The numbers have been rounded up)

Monthly fixed personal expenses: \$2300

Monthly fixed business expenses: \$2900

Total fixed expenses personal + business per month = \$5200

His combined fixed expenses are high, but he felt that the money from the book and his other projects would be enough. But when he saw the numbers on paper, what a difference. The facts are that in order to break even, Ramon must make \$5200 to cover the basics each month. I then asked him how much cash he has in the bank.

Current cash: \$10,200

This includes his client Jake's first month's \$6667 payment for the book. (This is 1/3 of the \$20,000 with the other payments to come in the second and third months.)

When Ramon originally saw this number, he felt that things were fine. Like so many creative entrepreneurs, he was blinded by cash instead of thinking like a business person who knows the very big difference between cash and profit. When his fixed monthly expenses were taken from his current cash it looked like this:

$\$10,200 - \$5200 = \$5000$

The problem? This is not profit. The \$5000 does not include the costs to hire the Waterbug sub-contractors to work on the first month of the book, nor does it account for any unexpected expenses such as a dropped computer or a doctor visit. And most importantly, it doesn't factor in his time and how much he wants to make an hour.

Ramon was pretty shocked at the reality of his situation. His money, even with the first \$6667 payment dwindled down to \$5000 before he even started writing the project.

Ramon did sign a contract with Jake outlining exactly what Ramon would deliver and when. But it was immediately clear that the estimated deliverable times on the contract were not realistic and at no point did he have an estimate of how much he would have pay out to finish the product. I told him that the first step was to figure the hours he would spend on the project per month and

then how much he would pay out to sub-contractors per month.

The numbers:

1. Writing time for one month:

100 hours to write the book.

20 hours to communicate with the sub-contractors and Jake.

Total: 120 hours of professional time per month.

2. Sub-Contractor expenses for the first month: \$1000 as a first payment to an editor and graphic designer.

Now here is the big reveal. When Ramon subtracts his sub-contractor costs of \$1000 from his current cash of \$5000, he has \$4000 remaining to pay himself for his 120 hours this month.

$\$4000/120 \text{ hours} = \33 per hour.

Ramon was pretty crushed. He said, “No way. Oh, I feel dumb. I raised my fee to \$125. Now I am making \$33. It’s so hard to see these numbers. I like making money, but I don’t like the bookkeeping part of the business. I’ve always focused on new ideas and getting new clients. I’m mad at myself. I will just have to do a great job on this project and accept the reality that I’m not going to get paid anything close to what I expected.”

I said, “At least you know where you are now and what you need in the future to be successful. You don’t have to guess anymore. That’s a lot less stressful than making \$33 an hour instead of \$125.” Ramon said, “I don’t think I’ll ever be able to look at a project again without thinking about cash flow. Thanks Jackie. I have to keep going, but how do I do it right next time? I know I can’t just quote what seems like a high number.”

Ramon and I had a final discussion on how he could use this experience to bid correctly in the future. We discussed if he could reduce his hours or contract out more of his tasks, but this was a no. We then ran the cash flow numbers using a variety of hourly rates. The first was for the \$125 he was hoping to receive. Using the 120 hours he came up with for one month, we used 360 hours for the time of the whole project.

We then multiplied this by his hourly goal of \$125 an hour.

$$360 \times \$125 = \$45,000$$

That is what Ramon would have to charge Jake in order to make his \$125 an hour. It's pretty far from the \$20,000 he received. We both realized that a \$125 an hour rate is not workable as the price for the client would be too high. Ramon said, "He will never go for that. I wouldn't go for that myself! I can make \$125 an hour for short term work with clients, but I can see it's not going to work with these big projects." I then explained to Ramon that he could change his hourly rate in order to find a bid that would be reasonable for his talents and one that his client would accept. He knew that \$100 an hour would still come out to an unreasonable fee of \$36,000, so we tried \$75 an hour. This is still a good hourly rate, but would the client go for the price? The total cost came out to \$27,000. Ramon felt he could work for \$75 an hour, but not less. He decided he would break out the fee into sections when he talked to a future client. Ramon said, "I will say the cost of my writing the book would be \$22,000 and the sub-contractor costs to be paid by the client would be \$5000.

He felt this was a good price point, but he also knew he would not go lower. I was proud of him. \$75 an hour is a good wage for a long term project for Ramon. Once he has a few more successful books in his company, he can explore raising his prices.

Never forget: Before giving a quote or saying yes to a project, all successful creative entrepreneurs do a cash flow analysis that includes fixed personal and business expenses, current cash, expenses paid out to Waterbug sub-contractors and most importantly, the time it will take to do a project. This is the key to financial success. I know that Ramon will make financially informed business decisions in the future and you can too.

Business Principle Accountability

Four things I learned about myself or my business from this chapter:

1. _____
2. _____
3. _____
4. _____

Changes I need to make as a result of this learning:

1. _____
2. _____
3. _____
4. _____

My next step:

I commit to the following action:

By when: _____

Signature: _____ Date: _____



Principle #6

Understand Your Target Clients

Successful creative entrepreneurs understand which clients best fit their business mission. They know when to say yes to clients who further their career, and when to say no to those who present a potential problem. And yet there is a good chance it was not always this way. Even the most successful creatives have chosen seemingly right clients for the wrong reasons. Eventually they learn that they must create their own client profile to make sure the client is not only in their focus and niche, but also a good fit in areas of communication style, project vision and financial expectations.

You will need such a system to evaluate potential clients. It is easy to say that everyone in your niche is your target client. But this is simply not the case. Each client comes with a variety of needs and behaviors that you want to match to your offerings. Whether your potential clients are individuals, businesses or organizations, you must have a very clear picture on who you want to work with and especially a clear idea on who is not a good fit.

Roselyn's Story

Roselyn works as a speaking coach. She has had her share of great and not so great clients. Interestingly, when we worked together in order to find her more clients I realized she had not analyzed her past clients, nor had she contacted them for more business. Instead, she often simply looked for new clients when she had an opening. I asked her what had worked for her in the past and what clients were definitely a bad fit. Once she thought about it, her great and not so great clients were easy to identify.

Why is it Challenging for Creatives to Understand Their Target Clients?

Choosing the right clients seems to be the bane of every creative's existence. To be honest, it's never hard to find the wrong clients. There is always someone out there looking for the cheapest deal. But as you are committed to offering the best product for a fair market price, your goal is to clearly define your target client before you go and look for business. Many creatives skip this step entirely. Instead, they go straight into marketing without realizing that there will be many people within their focus and niche who might not be the best choice, even if the money is good!

Common reasons you may find it hard to understand your target client:

- **You assume that anyone who needs or is interested in your product or service will be a good fit.**
- **You do not have a process to interview and evaluate potential clients.**
- **You do not have enough experience to know what clients will not work for you.**
- **You have a tendency to adapt yourself to a client's needs instead of making sure the working relationship is a good fit on both sides.**
- **You assume all clients are similarly honest, focused and good communicators.**

If you are an optimistic person, you may rush into work situations assuming that potential clients have the same needs and integrity you require in yourself. This is not always the case. You have to set the standards and look for the clients who best fit your working style.

Revisit Your Positive and Negative Experiences

The best way to define your perfect target client is by analyzing your past and present clients. Those who already support you and your work are usually eager to work with you again. Research into your past clients will also help you know exactly the clients you want to avoid. Even if you are just starting your business, the following information will definitely help you as you create a client base.

In the following exercise, you will describe an experience with a difficult client and then one with an ideal client. This will help you get a very clear picture of how past successful clients can fit into your current business plan and how and where you can find similar clients in the future.

First, here is an example: Steven works as a web designer and webmaster with a specialty in merchant sites. He loves working with products, online classes, shopping carts and payment processes. Here are his stories:

Clayton: An Ideal Client

Clayton owned an online store that sold jewelry pieces from Asia. He had a web page when we started, but the products were all over the place. The pictures were all different sizes and qualities and I had no idea what he offered unless I went deep into many of his pages. The whole thing was a mess. I was actually unsure if I should take the project, but after talking with Clayton, I knew we would be a good fit. I explained all of my ideas and my prices based on my evaluation of his site. We discussed switching his sales platform to a better shopping cart and why I felt the change was worth the cost. We agreed I would redesign the site and that we would definitely need a standard for submitting pictures of his products. I told him the time this would take and how I preferred to communicate by phone instead of email. Once we discussed all of this in detail (on the phone!) he simply told me to get started and let him know if I needed anything. This was an ideal situation for me. I like to work alone and know that a client trusts my judgment as long as I deliver on what I promised. Clayton ok'd things as needed and let me do what I love to do. I finished in a month and he was very pleased with the site. I stayed on budget and on my time line. He didn't bother me with extra stuff and that saved me a lot of grief. We still work together and he has referred me to other online merchants.

Michelle: A Less Than Ideal Client

I had a very different experience with Michelle. I was so excited to work with her online school that I said yes before really explaining how I work. I loved her subject matter and felt I would like to take the classes myself. I can see I let my interest in her topic influence whether she would be a good client. I took the job after giving her an overview of what I would do and what I would need from her. She seemed very happy with my ideas. But we had problems from the beginning. She wanted constant updates on the work. I had at least five emails from her a day. She certainly didn't realize I was serious when I said I was not comfortable with so many emails. She then questioned my way of doing her class interface and told me that I should just set it up and she would have a friend test it out to make sure it worked. I could tell the friend would do it for free and she didn't want to pay me. This happened for weeks. I spent so much time trying to please her and I was miserable. I kept having to explain myself and account for each hour. I thought my respect of her work was enough reason for me to take the job. It was a job nightmare. When the project was finished, I ended our work together.

Now it's your turn to do the exercise:

Describe a past ideal target client:

Describe a past less than ideal client:

It's amazing how much this exercise can help you know where to go next. You have probably heard it said that 20% of your clients buy 80% of your products. It's proven that those who buy once and were happy with your work are far more likely to buy again. At the same time, those who caused stress in the past are likely to do so again in the future. And they will rarely if ever give you a recommendation. Do any of these client types sound familiar: Penny pinchers, those who are always late, those who make you doubt your work, micro managers, those who are never satisfied, or those who want something for free? It makes sense to learn from your past experiences and avoid the types of clients who don't work for you.

A Form to Evaluate Your Current Clients

If you have been in your business for awhile, you hopefully have clients you enjoy, but you may also work with clients you know are not in your best interest. The following form will help you evaluate your current clients in terms of financial rewards and overall quality of experience. I suggest you fill out this form for each one of your clients periodically. You can then use this criteria when you evaluate a possible client.

Client Name _____ **Date** _____

Rating: 1 lowest, 5 best. Add up the points for each client.

1. The client pays my bills on time 1 2 3 4 5
2. The client is ready for me when I get there. 1 2 3 4 5
3. The client tries to schedule around my time needs. 1 2 3 4 5
4. We have a mutually respectful relationship. 1 2 3 4 5
5. The client is a champion of my work and refers me to others. 1 2 3 4 5
6. The client has me as the sole service provider in my area of expertise. 1 2 3 4 5
7. The client asks me for advice and takes it 1 2 3 4 5
8. The client sends me increasingly complex projects and the work is interesting. . . 1 2 3 4 5
9. The client plans ahead with me instead of asking for last minute work 1 2 3 4 5
10. The client acknowledges my work and does not threaten to go somewhere else when I raise prices 1 2 3 4 5
11. I feel satisfied and positive after working with this client 1 2 3 4 5

Total Points: _____

10-20 points: This is not a good client; fire* them.

20-30 points: Give it three months to see if you can improve the score; if not, fire them.

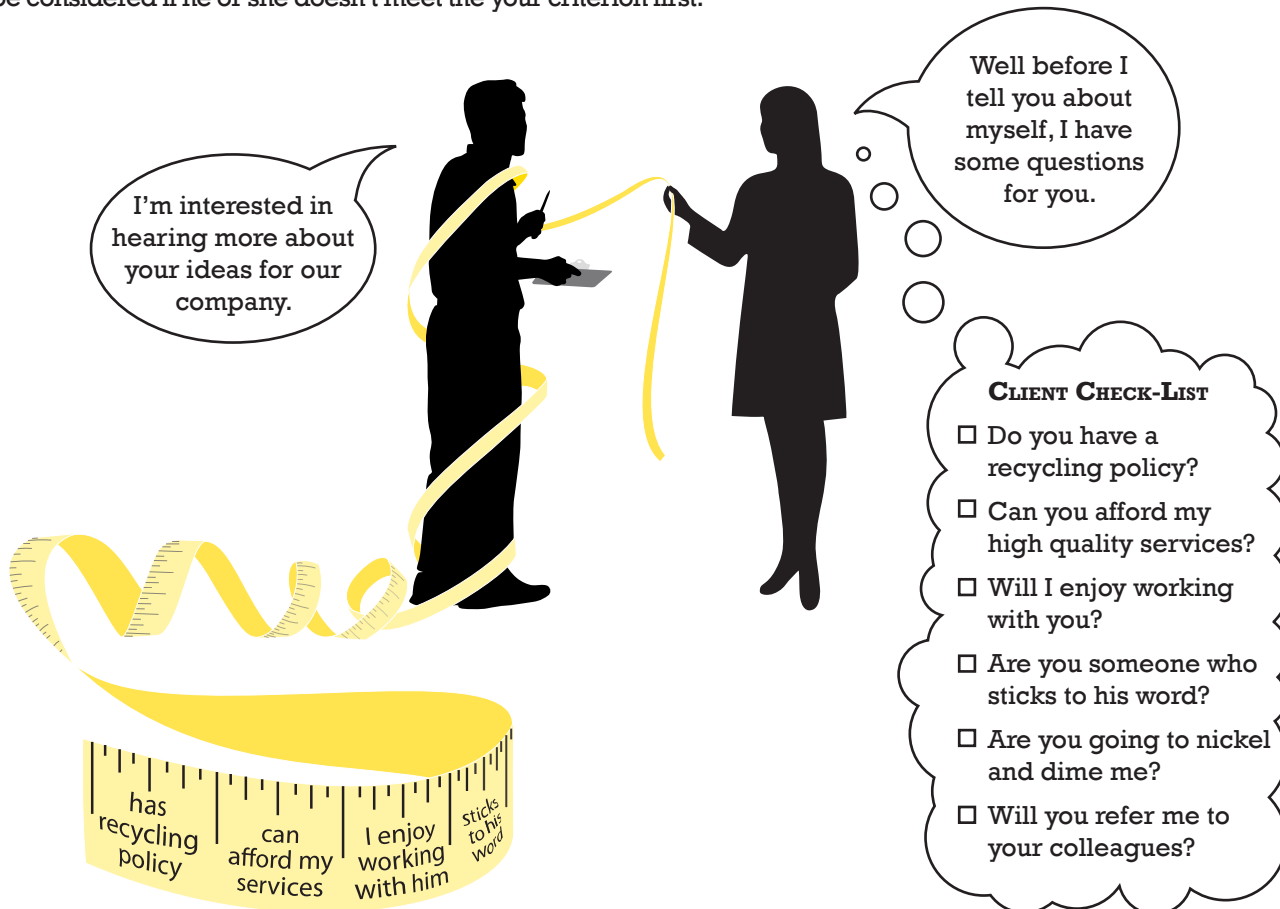
30-40 points: This is a good client; keep them and nourish the relationships.

40-55 points: This client is a winner; focus your efforts on them and give them first priority.

* Firing a client can seem harsh. However, if the relationship is not working for you, it may be because you are not firm enough on your target client. It is also possible that the relationship is not working for the client either. Sometimes the act of “firing” a client can be as little as taking them off your mailing list and letting them just drift away. Sometimes you have to be more direct. You can say: “I am taking my business in another direction. Here are three referrals to other companies who I believe will do a wonderful job for you in the future.” Or, “I am full at this time and am not taking on new projects.” Hopefully the client will get the point!

Does Your Client Measure Up?

You may think that clients are interviewing you when you are looking for work. In reality the client should not even be considered if he or she doesn't meet the your criterion first.



Know the Characteristics of Your Target Client

I have found that almost all of a client's positives and negatives deal with clarity, money, referrals and marketing. Look over each checklist below and choose the two characteristics under each category that are most important to you and write them in the space below. Add your own if needed.

Clarity:

- **Client is in my deepest niche.**
- **Client has entire project mapped out.**
- **Client allows me to map out the project.**
- **Client quickly responds to my requests for clarity or information.**
- **Client understands technology and social media.**
- **Client and I have similar communication styles.**

1. _____

2. _____

Add your own here:

Money:

- **Client is willing to spend as much as needed on the project.**
- **Client appreciates quality and know it costs more.**
- **Client pays in advance.**
- **Client understands that projects often run over and have to be re-evaluated.**
- **Client pays by the hour.**

1. _____

2. _____

Add your own here:

Referrals/Marketing

- **Client has good connections in my industry.**
- **Client willingly makes referrals to my target clients.**
- **Client is very well known in the community and belongs to many organizations in my field.**
- **Client has media connections.**
- **Client will market his or her own work if appropriate.**

1. _____

2. _____

Add your own here:

How often have you thought about a client in such detail, especially after an initial meeting? There is so much more to consider than just if the client fits your industry. The way you want to run your business is reflected in the clients you choose. It's also essential that you are clear on how a client fits into your values concerning the environment, social responsibility and an overall feeling of trust. There are many reasons to choose clients- you just have to make sure you know your own.

Roselyn's Story Continued

I asked Roselyn, the speaking consultant, to describe her perfect and less than ideal clients. She told me about Julia: "I took on Julia as a private client. I loved working with her. She was open to my ideas and didn't mind when I made suggestions. She was honest when she got upset and told me when she felt unsure of her talents. I asked her to film herself giving a speech. She did it even when she was scared to. She booked ahead of time and was fine paying in advance. She did her homework, read the books I suggested and praised my work. When we were ready for her big presentation, she thanked me and went on to give a fantastic performance." I asked Roselyn if she had called Julia to ask if she wanted further

sessions or if she knew of someone who did? Roselyn told me that seemed a bit pushy, but she realized it made a lot of sense. I then asked her to describe a bad experience. She described Martin: “I worked with Martin as a part of a speaking package I sold to a large software company. The company assigned all of my clients. I cringe when I even think about him! Martin had an attitude that he knew more about speaking than I did, even though his boss thought he needed my help. He was always late and constantly told me how busy he was. If I asked him to complete some homework, he rarely did and told me he would do it next time. I was as patient as I could be, but he was so arrogant I wanted to walk out many times. Sometimes he would miss our sessions. I still got paid really well no matter if he came in or not, but I spent so much time complaining about him to my friends they told me to quit or shut up. He was a complete energy drain. And then he gave me a so-so evaluation!” I asked Roselyn what she liked the most about her positive experience and what she wanted to avoid in her negative experience. After this exercise, Rosalyn determined that she prefers to work one-on-one with solo women entrepreneurs who have money to spend for a quality project. And she determined that she definitely dislikes working with younger male clients in the corporate world. This was an honest assessment and one that has made her client selection much easier!

Take Charge of Your Career

You are truly in charge of your career when you understand your target client. Here are the benefits of following Principle #6:

- **It's easier to weed out the clients you don't want.**
- **You can choose clients based on your specific criteria.**
- **You can work with clients who fit your values.**
- **It is much easier to create and execute a marketing plan on how to find clients as discussed in Principle #7.**

Remember:

Determining if a client is a good fit for you means you have to know what you're looking for first.

Eva's Story

My client Eva is a very good fiction editor. Eva often met with potential clients for coffee as an intake session. She found that those she thought were 'potential' clients simply wanted free advice on how to edit their own book. Instead of being very specific about her services, the price and how they could work together, Eva would often end up answering questions she would normally charge for. These prospects wanted something for free because she gave something for free! And when she did take on clients with these characteristics, they were always the most difficult as they wanted more of her time and information without expecting to pay for her services. I told Eva that she had to stop undervaluing her time and expertise and that she could only give out information necessary to assess a potential client.

Eva followed my advice and promised to never work with troublesome clients again, even if she needed the money. She then fired the clients who did not respect her work. She also made a vow to only work with clients who fit her plan. It was hard at first, because Eva had to believe she was worth more, but it did happen. I recently saw Eva and she told me she can actually laugh at herself for giving away so much great information when there were many clients out there who respected her work and were willing to pay her really well for her expertise!

Business Principle Accountability

Four things I learned about myself or my business from this chapter:

1. _____
2. _____
3. _____
4. _____

Changes I need to make as a result of this learning:

1. _____
2. _____
3. _____
4. _____

My next step:

I commit to the following action:

By when: _____

Signature: _____ Date: _____



Principle #7

Market Every Day

Successful creatives incorporate the principles of *Better, Smarter, Richer* into a marketing plan that is focused, clear, dynamic and financially responsible. They understand their product or service and market directly to those who would benefit. Because of their clarity and belief in what they offer, successful creatives see marketing as an enjoyable extension to their business and not as something they must force themselves to do in order to succeed.

It may be that you have disliked marketing in the past. Things can be very different now that you have the principles in this book. Successful marketing is a result of clarity around your service or product, the fees you charge and your desired relationship with a client. You now have easy access to this information. I remind my clients the most wonderful part of being a creative entrepreneur is that you get to be your business. When you do what you love as a career, marketing becomes your lifestyle. Talking with potential clients becomes more of a conversation on a mutually interesting topic rather than a memorized sales pitch.

Mary's Story

My client Mary is a graphic designer. She worked with a wide variety of clients for many years, but business has gotten tough recently and she came to me to determine exactly what clients she wants to work with and to create a marketing plan. Since I know that specializing is the first step to financial success for creatives, I asked her, "What is your niche?" I reminded her that the graphic design field is very large and only those who know exactly what they want to create will succeed. After much discussion, she said that she really enjoys working with food clients, particularly restaurants. I knew this was a perfect start to creating a successful marketing plan.

Why is it So Hard for Creatives to Market Every Day?

It may be scary to put yourself “out there” by marketing. You may feel vulnerable. After all you are saying, “choose me, choose me!” But remember, you are not going to come across as offensive or pushy if you choose the right target clients and are very clear on how you can work together. I also see a problem when creatives think of marketing as a necessary evil. This means they will market only when it’s absolutely essential and then wait until the last minute to start again in order to find new clients. It’s so much smarter to take the pressure off and find the type of marketing you enjoy.

Common beliefs that may hold you back from marketing every day:

- **I will be rejected.**
- **I have to be like a used car salesman in order to market well.**
- **It’s begging and it’s embarrassing!**
- **My product is not good enough.**
- **If I were good enough, people would come to me naturally .**

Negative self talk regarding marketing can leap to the forefront and make you feel nervous and vulnerable. The problem is that if you don’t take steps to overcome this negativity, it can have disastrous effects on your financial well being. The truth is that when you are working to market your product or service, you are not bothering anyone; you are giving customers an opportunity to see and own something wonderful and beautiful that you have created. How can that possibly bother anyone?

Marketing Mix and Match

In the following exercise, match the definitions with the words:

1. Platform

A. How you package yourself, your service and your products. Involves the look of your marketing materials from your website down to something as small as the font you use on your logo. Other elements include pictures of yourself, the clothes you wear to a presentation, the colors that represent your business. This is the public image of your work. Think of rock bands and Coca Cola.

2. Networking

B. A collaboration where two or more people exchange ideas and contacts in order to find work, create alliances, improve relationships within an industry and enjoy social interaction. This can be done in person and online.

3. Brand

C. Doing what it takes to get your products and services to potential clients. This makes it easy for clients to find you and know exactly what you do as soon as they see or hear your information.

4. Marketing

D. How well known you are in the public regarding your appearances in the media, your web presence including your blog, size of your mailing list, podcasts, books you have written and your reputation in your industry. Due to this 'fame' you are seen as more of an expert and are often approached for work.

Answers: 1 (d), 2 (b), 3 (a), 4(c)

Marketing is the way you get your product or service to your target client. It really is that simple. All marketing involves your brand- who you are as a creative, how you are seen by the public and the persona you want to present as an individual and the creator of a product. You may not want to be in the public eye, but your brand always must be if you want to be remembered and hired. Your platform is built off your brand. When you market every day, you build a strong platform that makes it easier for you to promote yourself and your products and then launch newer offerings with ease. In person and online networking is the tool that holds your marketing plan together. Marketing is continual motion. It's about meeting someone, discussing your work, and then having them refer a potential client to you. This potential client will then look for your information on the web and compare it with others in the industry, which is why articulating your brand and building your platform are essential. When the potential client calls, you are ready with your UVP and your offerings and can easily answer any questions and explain why you might be able to work together successfully. Because you follow the *Better, Smarter, Richer* principles, marketing is natural and fluid.

It doesn't have to be difficult or time consuming to promote your work when you love what you do. But it does mean two things:

- 1. You have to know where to find your target clients.**
- 2. You must build a strong marketing foundation underneath any marketing tools you choose to utilize.**

Luckily, technology has made it easy for all creatives to plan and maintain very successful daily marketing plans. It's a very good time to be a creative entrepreneur.

Disintermediation

Because of technology, marketing is now easier than ever for creatives. In the past, creatives were afraid to narrow their focus, fearing that audience would be so small there would not be enough customers to buy their products. This is no longer a problem as the Internet makes it possible for you to find clients anywhere in the world, 24 hours a day.

Technology has also reduced the need for human intermediaries, those middlemen who stand between the producer and the customer. I call this "disintermediation" and it has happened from travel agents to the music industry and there is no question it's a

positive trend for every creative entrepreneur. Because of disintermediation, no longer is the artist or photographer solely dependent on a gallery or a printed catalog mailed to a few wealthy potential customers to get known and sell their work. No longer is the writer solely dependent on the publisher to get their book on the market. No longer is the performance artist dependent solely on their agent to secure bookings and no longer does the clothing designer or the jeweler maker have to depend solely on finding the right sales rep to get their products in stores.

Market to Your Target Clients

The goal of any successful marketing campaign is to market directly to your target clients. This may sound simplistic, but many creatives make the mistake of marketing in a general way instead of thinking carefully about where their target clients reside. Client attributes such as the organizations they belong to, the publications and websites they read and where they network are far more important than which social marketing tools you will use or what colors you will have on your website. There are many fun networking events, expensive conferences, and networking lunches where you will meet new people, but your goal is always to meet potential target clients. All marketing decisions must always focus on the client first, whether you sell your service or a product.

Mary's Story

After Mary decided to focus her career on restaurants, I asked her to look over all of her past clients to see if any were still a good fit. I also wanted her to evaluate the clients that didn't work for her and learn what not to do as she moved forward. We found that she already had several restaurant clients, three of whom she said were a good experience. We made a list of the strengths of each client and the particular reasons she enjoyed working with them. She also wrote down how she acquired them and what services they had purchased from her. I suggested that Mary actually talk to her past and current clients and tell them directly that she is looking for more clients like them. During these meetings she can ask them what their experience is like working with her, what she could do to improve her service and whether they feel comfortable referring her to others. Since she has a list of potential target customers, she can even ask for specific referrals or introductions. In today's competitive small business world, you should not feel foolish asking for referrals. Most of the time

people are happy to help and honored to be asked. Mary told me she was scared to do this in case they thought she was weird and pushy. I reminded her that the clients need her just as much as she needs them. It's a mutual working relationship!

After evaluating her past clients and thinking carefully about who she wanted to work with, Mary decided that she was most interested in working with a certain type of restaurant: neighborhood restaurants who were established, very financially stable, innovative in their food preparation and focused around sustainable practices. She wanted restaurant clients that were in the middle price range with lively venues that featured organic food, good music, excellent service and where the staff really knew what they were serving. We agreed that this was a very deep and narrow niche, so the next step was to find a way to get her graphic design portfolio to these potential clients in order to set up an appointment.

Where are My Target Clients?

The following exercise will help you think of where to find the target clients you clarified in Principle #6:

Five professional organizations I can join or visit that will put me in the world of my target client:

1. _____
2. _____
3. _____
4. _____
5. _____

Five creative associations I can join for networking and career advancement:

1. _____
2. _____

3. _____
4. _____
5. _____

Five people I can take out to lunch and ask for advice:

1. _____
2. _____
3. _____
4. _____
5. _____

Five past clients I can ask for referrals:

1. _____
2. _____
3. _____
4. _____
5. _____

Five industry specific events I can attend in the next year:

1. _____
2. _____
3. _____
4. _____
5. _____

Five original ideas I have on where to find my target clients:

1. _____
2. _____
3. _____
4. _____
5. _____

When you market to your target clients, all of your interactions serve a purpose. This is far more effective than marketing to a wide variety of people with the hope that someone will find your work interesting. As you have learned throughout this book, successful creative entrepreneurs have a purpose in all that they do: with marketing, the purpose is to create as direct a line possible between yourself and your desired clients.

Mary's story continued...

In order to get her name in front of her target customer, I suggested to Mary that she find some restaurant-related organizations to join so she could network with restaurant owners. Mary is not a restaurateur but she can join the local restaurant association as an associate member and participate in their meetings. She can attend meetings where the topic is food and sustainability. I then asked Mary to develop a list of another 30-50 restaurants that fit her target profile and who she would like to have as customers. Now that sustainability is such a hot topic, she can easily choose her restaurants based on their ingredients and recycling program. Her next assignment was to look up the web site of each of those potential targets and analyze it relative to the characteristics she believes web sites of her target customers should have. She rated them as to design, ease of use, color, logo, and if they invited customers to come and dine. She believed that a restaurant's website was a good indication of whether their establishment fit her target criteria. This helped her narrow her client focus even more. Mary is now ready to network. She has a clear niche, a portfolio and former clients she can approach for referrals. She told me that even her family is now more helpful to her in finding business. Before, when they asked her what kind of business she was seeking, she talked about graphic design in general. Now when she talks about her focus on sustainable restaurants with a specific ambience, they say, 'Oh, have you tried this restaurant?' or "I know the owner of ____ This restaurant would be perfect for you!"

Find Your Target Clients on the Internet

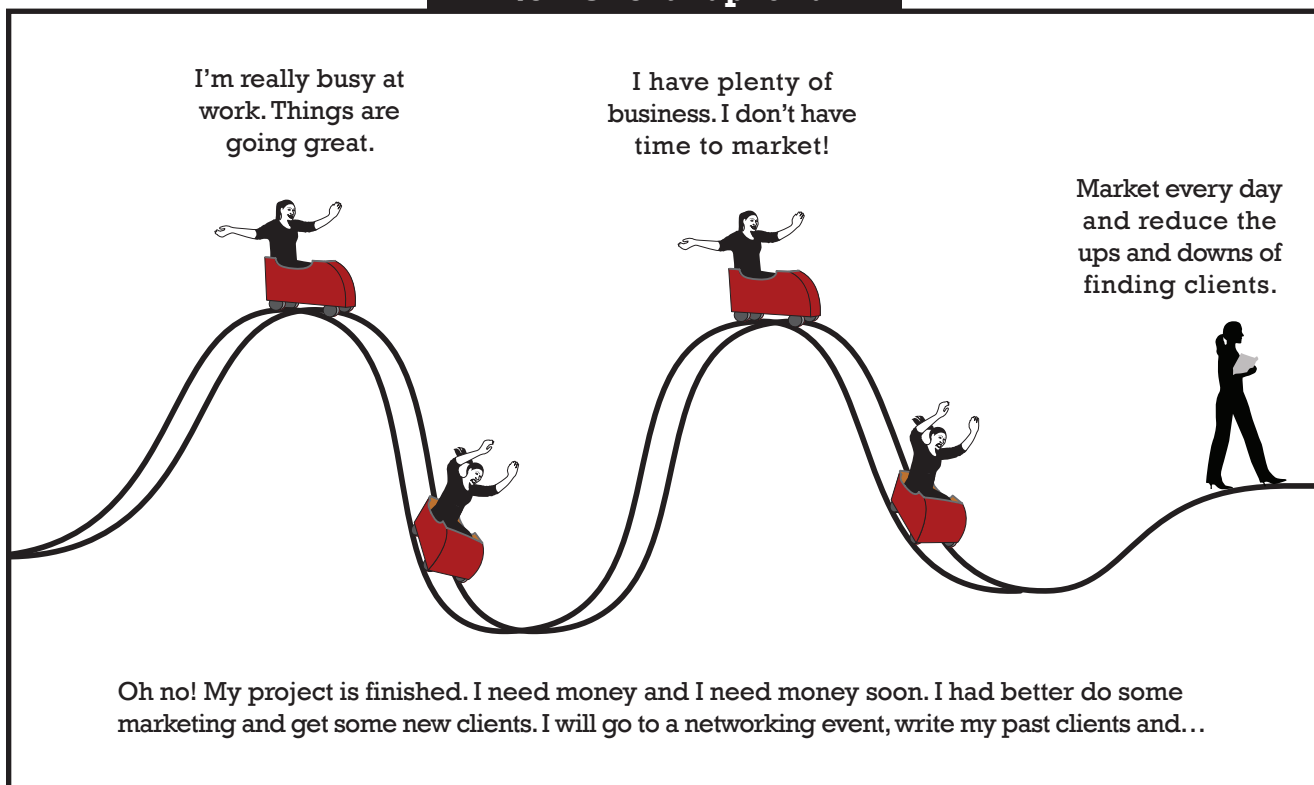
Do you remember Steven from the last principle? He is my client who described his perfect client experience where he created a merchant site for his client who sold jewelry pieces collected from Asia. Steven recently asked me for advice on how he could find similar clients. I gave him this exercise: *Steven, I would like you to find 25 web pages all over the world that represent your target client. Your goal is to find sites that would directly benefit from your merchant programming skills. Once you have found these 25 sites, pick 10 that look interesting and make a detailed report on how you could help them improve their site by adding merchant account features. Then call or email each one and ask to speak to the owner.*

At first, Steven probably thought I was crazy. Wasn't this spamming? I said, "Not at all! You're a professional who has a proven service that can save the client time and make the client money. Of course they will want to talk with you!" The next day, Steven told me he called a small business in Indiana who specialized in high end imported bamboo furniture. He called and set up an appointment to speak with the business owner. This is not about telling someone what is wrong with their webpage. It's a conversation about working together to improve a webpage to each person's benefit. That is marketing.

The Euphoria Despair Curve

My client Zoe is a voice teacher who doesn't like to market. It's the main reason she came to see me and we have spent quite a few months creating a marketing plan she can live with. It has always amazed me that someone like Zoe who loves to be on the stage and trains clients who get large parts in musicals simply doesn't like to market herself! I asked her what she saw as the difference between helping someone get on stage and sell a song as compared to her meeting with potential clients and selling them on her excellent teaching talents. She said, "The people in the audience want to be there!" That explained her problem. If Zoe believes that talking to a potential client about her talents and abilities will upset the client, of course she will find marketing distasteful! Because of this, Zoe was always riding high when her bookings were full and she didn't have to market herself at all. The problems happened when her regular clients moved on to other interests—as they often do—and she needed to fill her client pipeline again. This is where I see my clients go from the euphoria of working with the clients they love to the despair they feel when they think they have to force themselves to get out there and market!

New Client Euphoria



Need New Client Despair

I told Zoe that when she puts off marketing until a time when she feels desperate for clients, marketing becomes like the monster under the bed. You fear it and are nervous about, and so you put it off one more day, until like any mythical monster, it grows and gets worse. Zoe now has competition all over the world, and as the internet becomes faster, we will be able to have face to face lessons online 24 hours a day. New techniques, new tools, new materials, new thinking mean that she can either market herself every day or else continue to wait too long each time she needs new clients and keep riding up and down the euphoria despair curve. If Zoe waits until the desperation moment to market, she won't stay a part of the ongoing conversation amongst singers and their voice teachers, and she will lose her competitive advantage to someone who is willing to do this. I asked Zoe what kind of marketing she could do every day that she would actually enjoy. She said that keeping her blog current with auditions and other opportunities was a great tool as it didn't take her much time, kept her up to date on ideas for her clients and offered free information to potential clients. I knew she was on her way to seeing marketing as something organic to her work and not just the monster under the bed.

The last time we met, I could see a big difference in her attitude around marketing. She said to me, “Jackie, when you told me that I had to keep marketing in order to keep current I got a bit upset. In the past, great voice teachers kept their students for a very long time as we were the only ones in the area and we all knew each other. It’s just not like that now. I decided to see marketing as a way for me to share the extreme joy I feel when a student sings. I created my UVP and consider it my #1 marketing tool as I get most of my clients by word of mouth. I do some social media when I hear of an audition or event and that brings a lot of new people to my blog. The biggest thing for me is that I now think about marketing all of the time. It’s no longer something that is just lurking out there that I have to attack. I just made it part of my business.” I believe that Zoe really understands what I mean when I tell my clients to market every day. It doesn’t mean you are so great at marketing that it’s no longer a problem. It doesn’t mean that you have to do something major every day! It means that marketing becomes an extension of your business (and your life) and naturally becomes a daily practice.

Build a Successful Marketing Foundation

Marketing every day can take many forms. It can be participating in a networking event, speaking to a group, making phone calls to potential clients, posting your blog, sending a newsletter or having lunch with a past client and learning exactly what it is that attracts them to your work. These are the tools of marketing. But as technology changes, the tools change which means it can sometimes be a struggle to keep up with the latest marketing trends. But what never changes are the following marketing basics that create a foundation you can use throughout your creative career:

Use Your Marketing Time Wisely

1. Don’t confuse social media busyness with marketing. Marketing means that you see a financial return on your time and money invested. The problem is that some people fall in love networking either in person or online and lose their precious focused work time. Like everything, using social marketing tools requires discipline. Social Media can make you very popular, but unless it makes you money, it’s not marketing, it’s just entertainment, so make sure you use it wisely!

2. Invest in marketing and technology. As you become more established in your creative field, you can hire others to help you market. Most creatives benefit greatly from agents, publicists, reps, public relations professionals, gallery agents and web masters all of whom help you with the sales and product distribution process. It makes much more sense to pay someone or ask for help with marketing if it's not something you understand or enjoy. I consider continued investment in marketing technology to be as necessary as buying art supplies or paying rent. I always remind my clients that investment in technology is not a one-time expenditure, but rather an on-going effort like the rest of your marketing. Once you begin a newsletter, a blog, social media tool, or a web site that features your work, it must be refreshed and kept up to date. Build it into your time and money budget. Hire someone whose job it is to be your technology maven. This is smart business and gives you the time to stay true to your creative vision.

3. Focus on the financials. Everything you do as a creative entrepreneur fills two goals: creative fulfillment and financial success. Marketing is the key to both, but it's essential that you carefully chart and review all of your marketing based upon the amount of money each marketing choice brings into your business.

Is This the Right Marketing Tool for Me Checklist

Whenever you approach a new marketing tool such as starting a blog, creating a newsletter, holding an introductory seminar or hiring a professional, ask yourself the following questions before you make a decision:

Will this form professional connections and increase my client base?

Yes No

Will this advance my career?

Yes No

Will this nourish my creative spirit?

Yes No

Will this provide a measurable financial reward?

Yes No

Will this allow me to represent my work clearly and professionally with a minimum amount of time?

Yes No

Will I see immediate results?

Yes No

Does this fit my budget?

Yes No

Do I already have the client base needed to use this tool?

Yes No

Will this generate more work for me?

Yes No

Is this a good use of my time?

Yes No

Are there better and possibly less expensive options I can try?

Yes No

My goal for you as a creative entrepreneur is that you are able to do what you love and, as a result, support yourself long into the future. When you're passionate about what you do and your business becomes part of your lifestyle, then marketing every day becomes easy.

Take Charge of Your Career

You are truly in control of your career when you decide to market every day. Here are the benefits of following Principle #7:

- **You won't have to force yourself to market as it comes naturally.**
- **Your marketing materials will be focused directly to your target clients.**
- **It's easier to evaluate the merits of different marketing tools.**
- **You're a person who knows that marketing is an organic part of any creative business.**

Remember:

When you have a strong business foundation based on the principles in *Better, Smarter, Richer*, marketing becomes a natural and enjoyable extension of your creative lifestyle.

Brian's story

Brian was laid off from his engineering design firm two years ago. Since then he has been struggling to make it on his own. I have worked hard with him on all the elements of focus, niche and the UVP already covered in this book. We spent plenty of time on how much money he wanted to make for each hour of his time. After a few months, we had a breakthrough in all areas. He now calls himself an interior architect. To him this means he is offering a combination of design and structured use of space. This has not been an easy journey for Brian. He has struggled mightily to clearly define the work he does. But as a result of his struggle to get the words right, the big breakthrough made it clear whom he considered his perfect target client. Based on Brian's newly articulated identity we determined that he has three distinct types of target customers.

Direct customers: Those who contract services from him one on one.

Intermediary customer referrals: Those who refer him to their customers.

Associations: Those organizations who give him credibility and support his claims of expertise.

Each of these target customers is important to Brian and it's clear that finding each type needs an individual approach. Using this framework, we looked carefully at Brian's current customer base. We classified his past clients using the above criteria. There were two large direct customers where Brian completed large interior architecture projects with great results.

When you have happy customers, you can ask them for referrals. Brian took the manager of a favorite customer to lunch and said, "I have recently started my own interior architecture consulting business where I combine my design skills with how clients can best use a structured space such as a display booth at a conference. I really enjoyed working with you on our last project and would like to be able to find more customers just like you. Do you have any referral ideas?"

His customer immediately offered to take him to a customer service manager's association meeting and introduce him to others who are likely to buy the type of services Brian sells. This excellent outcome was far easier and more enjoyable than Brian expected.

We then looked again at Brian's customer base and considered those we had classified as indirect customers. These are customers who do not directly buy services from Brian, but they refer him to their customers as the professional they should use for their interior architecture projects. We found Brian had two indirect customers who have been the source of many of his projects. So, Brian planned meetings with each of them. He put together a nicely produced, informative and colorful website so they can show their clients the quality of Brian's work when they refer him. He also made a printed portfolio they can place in their stores.

Brian then focused on his association customers. He targeted the local University where he received his degree. The University will probably never hire him, but they can give him credibility in his field. As Brian further searched for clients in his interior architect field, he learned that his University had just added a degree in interior architecture. That fact certainly gave Brian confidence that his new UVP was right on the leading edge. The marketing plan is for Brian to contact the university and offer to teach a case study to their students in interior architecture. He also plans to publish an article using the case study in a professional journal as a leader in the field. That credibility adds to his quest to be seen as the "go-to" expert in interior architecture. Isn't it amazing that Brian was able to generate this many job leads simply from utilizing his own client base? I know he will be even more successful as he further studies his target client market and finds even more ways to get his ideas to potential customers.

Business Principle Accountability

Four things I learned about myself or my business from this chapter:

1. _____
2. _____
3. _____
4. _____

Changes I need to make as a result of this learning:

1. _____
2. _____
3. _____
4. _____

My next step:

I commit to the following action:

By when: _____

Signature: _____ Date: _____



More Personal Stories

Teri the Hairstylist

Teri has been doing my hair for years. She is self employed and she rents a chair in a salon. She also cleans houses to bolster her income. I have refrained from talking to her about focus because it has just not been the right moment. However, the recent down-turn in the economy has meant that the hair dressing business has become quite slow. People who used to get their hair done once a month, now go every six weeks. This has resulted in a lot of lost income for Teri. And not only does she have fewer hair appointments, but she also has fewer housecleaning jobs. Teri is really suffering and as a grown woman with two college age kids, she is embarrassed that she has had to ask her mother for help with her mortgage.

So, I broke my own rules and intervened without being asked. I told Teri that she needs to start marketing herself, and that if she wants to remain successful will need to continue doing it every day. Teri's first response was that she could not afford to take out an ad. I told her she didn't have to, that ads were very unreliable and by themselves get almost no responses. Instead, I suggested some other things. For example, I pointed out to her three new buildings recently constructed near the salon and suggested she make up an inexpensive flyer and distribute it throughout the buildings. I suggested that she and her colleagues have an open house to introduce a new product line perhaps, or give a presentation on caring for your hair in wet weather (or rainy weather, or hot weather). I suggested she get on the phone and call past clients who have not been in for awhile and offering them some special incentive, or ask them for referrals. For whatever reason, Teri rejected every one of my suggestions and the last time I saw her I could feel that she has become angry and bitter about what is happening to her practice but not angry enough to fight back and go reclaim her customers and her market.

Alice the Acupuncturist

Alice is a talented and specialized acupuncturist. She has her own practice and has been struggling. Finally she came to me at the end of last year. We developed a marketing plan and calendar for marketing every day. Just like everyone else, marketing has been hard for Alice. She doesn't like putting herself "out there" and often feels vulnerable and frustrated. She had hoped for very fast results from the few marketing ideas she tried. This was not the case.

For Alice, it was first a matter of figuring out exactly who her customers are. She pored over her client list and identified a list of characteristics common to her best and most frequent customers. The characteristics included their age, gender, income level, and the health issues they want to alleviate. She also included their openness to alternative health techniques. Once she had identified these characteristics, Alice began to focus her marketing on venues where these clients were most likely to be present. At the same time, she took several clients out to coffee and asked them about how they saw her and her business and what they valued in their work with her. For Alice, this really took a lot of courage; she had to overcome feelings that she was being aggressive and pushy. But she did it. What she heard was that she is considered an expert in her field and her clients all find great comfort and relief of pain when they come to her for treatment. At the same time, they told her that her physical location needed some upgrading so that it reflected the price she charges. No one complained about the price, they just wanted the office look and environment to be more high end. She took this information and redid her office. Then she had an open house followed by a free talk on acupuncture and holistic health. During the presentation she also explained her referral program. Talking with her clients at this event helped Alice clarify her niche and gave her lots of practice in explaining her work to others. She told me this type of marketing was actually fun! Alice overcame her fear of marketing and now does some form of it every day.

Tamara the Designer

Tamara is a talented seamstress. She makes beautiful children's costumes. She has wonderful designs for princesses and fairies and butterflies—all the wonderful themes that little girls love today. When I met her, she told me what she really wanted to do was open her own shop and sew beautiful costumes for children. When she talked about this dream she had a light in her eye and she just glowed thinking of the possibilities. But Tamara was a victim of conventional wisdom—you know, the kind of advice you, too, have probably received. She had promised her

parents that she would get a “useful” degree, so she was in her 3rd year studying biology at the local university. As we brainstormed about how she could actually turn her sewing skills into a business that would support her, Tamara was both excited and depressed. Clearly the dream was going to be postponed, possibly forever. Tamara could not break her promise to her parents to get that degree, and, after three visits, she did not come back. I often think of Tamara and wonder what would have happened if she ever took the chance to follow her heart, and I think of how the Disney’s subsequent heavy marketing of the princesses would likely have given her dream a large boost driving customers to her. Here is the lesson from Tamara’s story: If you have a dream, do not be afraid to pursue it!

Lucy the Photographer

Let me tell you the story of one of the many creatives, a photographer, with whom I have worked for the last several years. When Lucy first came to me, she had her degree in child development and had just completed formal study in photography. She was struggling to figure out how to put them together to support herself. Before we began working together, Lucy was advised that she should find clients by standing on a street corner downtown offering coupons for low cost sittings that would be the equivalent of those blue background school photographs. This was terrible advice for Lucy as she wanted to be a high quality portrait photographer, not a high yield every day photographer. It is the kind of “common wisdom” given to many creatives.

Lucy and I discussed her options and I assured her that if she went the less expensive route, she would always have a high level of competition with very low fees. I advised her to find a very deep and narrow niche so that she could surpass the competition with a superior product and a wealthier clientele. She chose to photograph only children; no weddings, family reunions, commercial photography or animals—just children.

Next, she determined to take photographs using black and white film in this digital age as she feels the quality is superior. She finally told me that her niche is to take very high end portraits of children in the black and white film medium. It worked and she now has a thriving business. Lucy photographs her subjects at their homes in familiar surroundings as their natural selves and she has become so skillful that her photographs always seem to show the seeds of the person the child will become as an adult. They are powerful and meaningful. She commands high sitting fees and her minimum order for prints is \$5,000.

Had Lucy followed the original advice given to her instead of coming to me and developing her focus, it may have ruined her reputation. At the very least it would have delayed her from creating the very positive reputation she has now.

Bella the Illustrator

Bella is an illustrator who will take any job that makes her money. Her recent jobs include brochure work, desktop publishing, designing a new coffee company logo and drawings in a hiking book for a small press. Bella is worn out, unhappy and living job to job. I asked her what she really wants to do and she replied: "Create animation for a video or movie studio." I asked her why she had not done this. This was a great area of focus and yet none of her work reflected her dream. She said, "It just seems so competitive. When I try to break in, I get overwhelmed and just go back to what I know will make money." Bella is a perfect example of a talented person with a dream who is scared of failing if she chooses a focus. If she put her efforts into animation 100%, she would find work. That is just what happens when you have a plan and stick to it. Instead, she spends her time looking for new part time jobs that are not even in her desired field. I always wonder why would she spend this energy on what she knows will not ever provide a positive result when she could just focus all of her wonderful talent in one area and find happiness in her work? One day I hope to see Bella's work on the screen, but it's up to her when she wants to take the plunge!

The Underpriced Photographer

In the process of preparing my web site, I needed a photograph of myself. My writing coach recommended a photographer who had taken some wonderful shots of her about two years ago. I called, set an appointment and was told "and the great thing is we are having a special right now, the price will be \$75." Now this was great news. I had the referral to a good photographer and the price he offered was well below what I had expected to pay.

During the photo shoot, the photographer told me that portrait work had not been very good that year and business was slow. He had decided to give his clients a much lower price in order to attract more business. I am sure you have read far enough in this book by now to know I had to have a conversation with this photographer. I asked him why he was spending his time and energy doing work at a too-low price rather than digging in and figuring out how to get more of the higher paying work at which he specializes. He made lots of excuses: the economy is bad, the competition is fierce, it was the wrong time of year etc. This is typical of the creative entrepreneur who takes the path of least resistance instead of making his specialty work for him.

I tried to tell him that when he doesn't charge enough he doesn't communicate to clients that his work is high class and special and worth paying a premium for. I

reminded him that he offered me the lower price before I even asked how much it would cost. He should have realized that I called because he had come highly recommended. I needed the photo and actually would have been happy to pay more for a good job.

Sadly, I did not get through to him. He is convinced that only by lowering his prices will he succeed, while I am convinced that lowering prices is one way to invite failure. Of course my pocket book was happy to get a lower price, but I will not recommend the photographer.

Paul's Story

When economic times got tough, my client Paul got laid off from his job and decided to start a computer repair business. He jumped into his new project without thinking too much about where he would focus his talents or what kind of clientele he wanted. He just knew he liked the work, he needed the money, and the work challenged his creativity. In the past his work had always been decided by a company, so when it came time to start his own business, he didn't think to create a business plan before he went out to find work. Paul rushed into his new business with a great idea and a true talent, but he didn't first stop and think like an entrepreneur.

Paul told me he found lots of business in the computer community doing updates and repairs for people. Paul got calls first from friends and family and soon from others needing help with a computer problem. He responded quickly, fixed the computer then sent his hourly bill—unless of course he felt the work took him longer than it should have or the customer was a friend. Then maybe he would reduce his charge or not charge at all! He sometimes felt that his work was so easy he should not charge the customer. After all, it only took him five minutes to fix things. For Paul's customers, Paul was a bargain.

Paul wanted my help with hourly pricing and time management. I asked him the two questions I always ask, "How much money do you need to make each month to pay your personal bills?" and "How much does it cost to run your business?" He said he didn't know. He thought that getting clients was his first step and then he would see how much money he could make. I asked Paul to have some numbers for me the next time we met. I wanted to know his monthly personal costs for himself and his family and then how much time he spent each day on the job and how much money he was actually making per hour.

Paul thought of himself as successful because he had lots of work, but having so much work was running him ragged. Usually he was really busy and often exhausted, but he was not making enough money to support his family. He was spending lots of time chasing around town, driving between clients' offices, and doing lots of quick, short projects. Paul's problem was that he was not charging enough for the work he did. He had not set a monthly goal for sales and income and just took whatever jobs came along. Like many people who charge only the price they feel comfortable charging, he never made enough to cover his needs.

Because Paul was not charging enough, the phone was constantly ringing with new orders and people were lined up to hire him to do short term updates. They knew a good deal when they saw one. His happy clients referred him this way, "Hire Paul, he is a real bargain. He comes right away and you can get him without having to pay very much for his work." Because Paul was not charging what he was worth, he was very busy, constantly on the run and could not get ahead. All of his available hours were used for low value work that did not cover his financial needs. I knew the first step was for Paul to show me his monthly personal and business costs.

I also encouraged him to keep track of his time, but he resisted the discipline. He stated that he did not have the time to write things down, analyze where his hours were going and how he was spending his days because he was too busy doing his work! I assured him it was the only way he would be able to truly know how many hours he spent working each day. After just one week, he was surprised to see how much precious time he was spending on non-revenue producing activities such as driving between clients' homes and giving time away.

Based on his review of his time card and his new knowledge of how much money he needed his business to produce each month, Paul determined that he must raise his billing rate. He also asked himself, "How will I make my business produce the money I need?" Was he really happy as a guy who only did quick repairs and updates, or did he have higher capabilities and aspirations? Were there services for which he could charge more money? He had to create a new definition of success that focused on making money, not just on being busy. He had to think hard about how he saw himself and articulate what he really wanted from his business. And finally, he had to overcome his fear of slowing down and asking for more money. That nagging question kept coming up: "What if I change my services and charge more money and no one will hire me?" When fear is running high, it's easy to take every job that comes along to make sure you have enough work (even if it is killing you and does not satisfy your soul!) But that was the old mindset and Paul was determined to make a change.

Paul took several steps to raise his rates and begin billing for value. He started by billing for all of his work no matter how short a time it took. He could not bill for five minutes on

short jobs, so instead he instituted a minimum charge that covered his travel time for all service calls, and charged more than the minimum once he was with the customer longer than fifteen minutes. Next he instituted an increase in his hourly rate to one that brought his rates in line with what the high end competition was charging for similar work. Before he adopted the new rate, he made some calculations based on his time records to be sure he would now produce enough monthly billings to cover his financial needs.

When Paul announced his new rate, client calls slowed down immediately, but not anywhere near as much as he had feared. It became apparent that the clients who continued to call knew that under the old price structure they had been getting a “real deal” and now, even paying more, they wanted to continue to hire him because his work was excellent, he was reliable, and they trusted him and felt comfortable working with him. His price was a true reflection of his value. It was great for me to see how Paul went from someone who took jobs randomly and was unsure of his hourly and monthly goals to someone who understands he has to be the business if he wants to have a successful career.

Helen the Graphic Artist

When I first asked my client Helen about her graphic design specialty, she said she could ‘do anything.’ That is probably true as she is very talented. But focus was missing. People could not understand how to hire her because she said she did too many things. There is a lot of competition in the graphic design field and when potential clients did not perceive that Helen had special expertise in any particular area, they moved on, looking for an expert. Or they hired her at a very low rate to do general work.

Finally, in frustration, Helen came to me and we brainstormed about the jobs she had secured over the last several years that met these three criteria:

- a. She enjoyed the work, the industry and the client.
- b. The work was profitable.
- c. There was a growing market for the work.

In reviewing her design projects, she identified that she enjoyed working with two wineries she designed logos and labels for. Oregon, where she lives, is a very big wine growing region. There is an element of specialization in the wine industry since what has to be included on wine labels is state mandated. The wine grower

wants his label to meet all the regulatory requirements and to be attractive, to help differentiate his unique product and to bring customers. Helen and I agreed that this work met all the criteria of a deep and profitable niche. She decided to make this the focus of all of her design work. Her website and other marketing materials focused exclusively on this industry. Soon wineries across the state began to get her name as the go-to graphic designer.

Sarah and Linda Find Success

Sarah and Linda have been partners in a video production business for many years. When we first met, I learned that their business had dried up. They literally did not know where the next contract was coming from. In fact, Linda had taken a part time job in IT because she needed money to survive.

When I asked them what they did, I got a long list of topics such as distance learning, communication systems installation, website design, power point development, electronic book formatting, videos, etc. But despite this variety of offerings, they couldn't find work. They were frantic.

As I listened to their story, many principles in this book came to mind. First I was not clear about what they did. It did not make sense to me. I use myself as a litmus test. If I cannot figure out how to refer my clients to possible jobs, I know that they are not clear about what they do. I asked them to tell me their unique value proposition and realized it was impossible for them to articulate anything clearly when so much was going on in their minds.

So the first thing we worked on was clarity. They were so out of focus there was not even a possibility of a niche. As we met over the period of several weeks, I kept asking them what they did. I wanted to hear something I could understand, something that made sense, and something that was concise enough that I could repeat it to others. I could see that they had been stressing about lack of work for a long time. The stress had moved them into scarcity and they had been taking any job that came their way. They obviously had a really bad case of mission creep. They had moved so far away from their original mission that they no longer knew what their business was. They often went for jobs, but were so unclear on what they could offer the client, they were never successful with their bids. I asked, 'Who are your target customers and what jobs do you really want to do?' Slowly a picture of the real passion and mission of their company began to emerge.

Finally, they were able to explain to me that they were experts in digital communication especially in the area of distance learning technology.

They knew how to make classroom learning accessible on-line in a format that was educational, interesting and engaging. And just as importantly, they knew how to take an organization's educational curriculum and turn it into a powerful educational experience. Wow, not only was that a focus, it was a very deep and narrow niche. After we finally broke through the mission creep and the confusion about their offerings, it became very clear what business they needed to pursue. I could now see who they were, their brand, the clients they desired and how they could market their services. We got started immediately.

I have to admit that working with Sarah and Linda to bring forth this information was excruciating. In order to articulate their brand, they had to see themselves differently than they had seen themselves before. They had been business technicians for so long, that they had failed to see that the jobs they wanted, the jobs that fit their talent and experience, were sophisticated jobs that needed not only their broad knowledge of technology tools, but also their knowledge about adult education principles all combined with their ability to manage complex projects. But they were not attracting those jobs because they could not articulate exactly what it was they could do for a client.

What happened?

Once Sarah and Linda got clear, they began to approach different clients for the projects that fit their business plan. They rejected jobs that did not fit their focus. They practiced saying their UVP until they could say it smoothly without a hitch.

The big opportunity soon came their way. They were asked by a large company to make a proposal on turning their training program into an on-line product. Sarah and Linda were thrilled but scared. They worked very hard on their proposal and, with much work, coordination and planning on their part, they won the proposal which turned out to be a major job (think six figures). If they had not put the time and effort into getting clear about their focus and their offerings, they would never have had the opportunity to secure this profitable project that has taken them to an entirely new level of work.

I know the same can happen for you.

Resources

To read more about Jackie B. Peterson and her work, visit www.BetterSmarterRicher.com

To read more about the Small Business Development Center (SBDC) please visit:
www.BizCenter.org

To read about local creatives in Portland, Oregon please visit:
www.IHeartArt.com

For more creative support visit the International Association of Self-Employed
Communication Professionals:
www.iasecp.com

About the Editors and Designers:

To read more about publisher Julie A. Fast and her professional work, please visit www.JulieFast.com. For more information on submitting a book proposal to Grayson OmniMedia Publishing Group, please email Julie at juliethewriter@speakeasy.net. Julie works exclusively with business professionals who want to turn their innovative ideas into bestselling books and electronic products.

For web design, marketing and ecommerce solutions for authors, entrepreneurs and creative small businesses, please visit www.sferios.com.

To see more art and design by Tatiana Makovkin, visit www.gallerytatiana.com. Tatiana is a custom illustrator who works in digital as well as traditional mediums. She invites you to contact her with your creative print and web projects. Tatiana did layout, formatting, graphics and illustration for *Better, Smarter, Richer*.

