

NEGOTIATIONS

9 Tips for Freelancers Negotiating New Assignments

by Jon Younger

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The freelance revolution or gig economy - call it what you will – is a fast-growing phenomenon. Just as organizational leaders have recognized their increased dependence on temporary external talent in tech and many other areas, a rapidly advancing number of professionals—in a broadening range of fields—have chosen to pursue a career as agile talent.

For these professionals, negotiating a fair rate *and relationship* for their work is a critical competency; it's not just about the money. And even when the negotiation is managed or “curated” by a talent agency or platform, as is sometimes the case, agile talent needs the self-insight, knowledge, and skill to successfully negotiate win-win relationships with client organizations.

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Negotiating



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What do founders of agile staffing firms and client company executives say about the key requirements for a successful negotiation?

Here, in their own words, is sage advice on what to do, what not to do, and what to keep in mind during negotiations:

Remember, it's agile. A unique aspect of agile talent is that it's not the same as permanent employment. It's different, as Jody Miller, founder and CEO of the Business Talent Group, points out, because performance expectations are more urgent and immediate. As she suggests: "Agile talent should begin a negotiation with a different mindset than you

would a traditional job. In a traditional job, you have time to learn the culture and get up to speed. Agile is different. Agile talent is expected to contribute on day one around specific deliverables or milestones. Therefore, your negotiation should be based on a well-defined, realistic, and well-communicated plan of what you can achieve, by when, and how. "

Do your homework. A common complaint of HR and procurement staff is that freelancers don't know the organization and don't make the effort to prepare in advance, and this impedes the immediacy of contribution. Rana Strellis, SVP Communication at Baxalta, stresses the value of organization knowledge as a prerequisite to effective negotiation: "When I reflect on agile talent and those who have been most successful in negotiation and business performance, it's the individuals who took the time to get to know the organization in advance—its business, strategy, values, and relevant news—and brought real cultural and organizational insight to the negotiation."

Establish your value. A third frequently expressed idea is to establish your value clearly and early. As Breanden Beneschott, co-founder of Toptal points out: “You need to be negotiating from a position of power. That either means that you’re already established with well-known names on your resume, or that you’ve prepared some work in advance that can serve as an impressive reference point while negotiating. If you can make it indisputably clear that you’re at the top of your field and going to do a great job, you will have the leverage you need in order to negotiate.”

Know the value of the work to the organization. Several founders and executives of agile talent start-ups mentioned the importance of understanding the value of the project or agile work to the organization. Peter Lehman, from Circumference Business and Technology Services in Canada, reminds agile talent that smart negotiators know what success will provide the company, and what failure will cost: “There are very few organizations that will spend money just because they have it available to them. Agile talent work is outcome-focused and agile talent needs to be able to justify their cost and explain why it delivers significant value. In today’s business environment it is fiscally irresponsible to have every single skill the company requires on staff. Therefore, when negotiating it is important to remember that the organizations you are speaking to need you as much as you need them, but you must demonstrate that you know the value of excellent work to them.”

When stuck, try a creative approach. Negotiations are often sticky. When problems arise between buyer and seller, Lauren Holliday, founder of Freelanship recommends a creative pivot. For example, she suggests: “Negotiate a VIP Day. When clients won’t move on their budgets, one approach I recommend to freelancers is offering a package known as a VIP Day. When clients purchase a VIP Day, they get you in the office (or virtually) for five to six hours and receive an agreed-upon deliverable at the end of the day. VIP Days help clients solve a specific

challenge in a short amount of time. Clients are often willing to go for a VIP Day to start off a relationship because they prefer short timeframes, the chance to get to know a freelancer and his or her skills, and because VIP Day requires no future commitment.”

Be open to alternative arrangements. The Rolling Stones said it best: you can't always get what you want. Michael Solomon, co-founder of 10x Management, reminds agile talent that this applies to freelancer negotiation: “Be open to different arrangements. Make trade-offs that meet your needs. If they can't cover the rate you want, can they provide you with something else that is valuable to you (equity, referrals, future business, attribution, etc.)? There are always ways to make a negotiation work for you. But, of course, the most important thing is you have to know what you want, and what you are willing to trade.”

Build the relationship. Most leaders in the agile talent space advise their freelancers to deliver in the short term, but think long term. Their objective should be to build a relationship that offers repeat opportunity. As Poonam Mathis, founder of StealthForce, puts it: “Focus on the long-term. Your goal is multiple repeat clients. A repeat client is a happy one, which means better reviews, and a greater likelihood of being picked for the next job with this client or another. This is how you become a top resource within an expert network on a particular topic. One way to apply this to negotiation is to suggest multi-phase projects, which allow the client the chance to opt-out along the way; it signals confidence in your own ability to deliver.”

Sometimes you have to turn right to go left. The advice of Imtiaz Patel, founder of start-up IQ Workforce, reminds freelancers that assignments are also opportunities to build expertise and personal branding: “Smart freelancers think of themselves as a business not as a person just selling their time. As a result they benefit from thinking longer term about their brand and earning potential. In some cases it might make sense to go with a lower rate if it will enhance

your skill set and position you for more work in a certain area, allowing you to command higher rates in the future. Once you have established yourself, you can negotiate from a greater position of strength.”

Remember, it’s business. An appropriately final bit of advice is keeping in mind that organizations are deciding on agile talent based on how leaders see the freelancer fit with their performance needs, the value of the work, and the affordability of individual freelancers. As Jan Bergstrand, founder and CEO of Cool Company, the Swedish agile talent platform, reminds us: “Don’t take it personally. Business is business. The will of the client to pay depends on many things. It’s rarely about you as a private individual. Be professional.”

What’s the big message from the entrepreneurs building the agile talent category? Negotiation is a critical competency. And, as the Harvard program on negotiation has repeatedly demonstrated, when individuals combine negotiating skill with an open mind and an interest in seeking a win-win relationship, success is far more likely. As Anthony Haller, a partner in Blank Rome, and a leading employment lawyer put it: “Agile talent should negotiate for the relationship and not just for the engagement. An engagement may last only for a month or a year, but a relationship will pay dividends throughout an agile talent’s career. A successful negotiation is one that sets the foundation for a long-term relationship.”

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