

## Out on our own: From freelancers for freelancers

Following the successful and dynamic Freelance Business Forum at the EMWA conference in Vienna (May 2007), we heard your calls for improved communication and information sharing for our membership group.

Welcome to *The Write Stuff's* first regular dedicated feature section for the freelance membership.

'Out on our own' will feature in every issue of *TWS* going

forward. We aim to tackle issues that interest and concern us all and also hope to encourage **you** to share **your** experiences. We kick-start our feature section with what we hope will become the first articles of many contributing to a valuable freelance information resource.

This is your section—written by freelancers for freelancers, so please send us your comments, ideas and contributions for future issues. Together, let's make our feature a success.

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# Presenting freelance support for the freelance membership...

By Sam Hamilton

A consensus was reached by members attending the Freelance Forum in Vienna, May 2007, that freelance advice and support from the more experienced EMWA freelancers would be of benefit to the freelance membership as a whole. As a result, a small team of experienced freelancers (Sam Hamilton, Alistair Reeves, Linda Lieu, Helen Kulesza and Elaine O'Prey) has developed the following advice lists for consideration by freelance medical writers when setting up a freelance enterprise and for general business conduct thereafter. While most points will apply to work in any (EU) country, specific web addresses or sources of information are given for the UK and Germany, as these two countries have the largest membership groups in EMWA. This is just a start for what we hope will become a valuable resource for new freelancers (also on the web page), and we would encourage freelancers everywhere to add to these addresses or sources of information from their own countries, and advise us if there are any other country-specific matters that should be included. Please contact Sam with your contributions.

The team has also prepared a specific list of points for inclusion in freelance medical writers' agreements or contracts, which appears at the end of the article.

*Advice list relating to the setting up of a freelance enterprise and for general business conduct thereafter*

1. Talk to friends and ex-colleagues about your plans. If you know any freelancers, ask them how they conduct business, how these activities work, and what important advice they have for someone starting out.
2. Develop a business plan (you might not think this is necessary, but it is a very good exercise). Consider

how much you will charge. Consult the EMWA 2003 and 2007 Freelance Business Surveys (this issue of *TWS* has a summary of the 2007 results and detailed results for both are available to EMWA members on the website). Decide how much you need to earn and how much work you need to undertake each month to achieve this. Determine how you will generate business. Consider the initial equipment costs for your business. It is especially important that you have some idea of your income and expenditure as well as earning potential if you decide to set up a business bank account (see later) as these are the kinds of questions the bank may ask you. Pension schemes and health insurance organisations will also need this information.

3. Consider if you should trade under your own name or a company name. Determine the legal requirements in your country via the tax office (in the UK: <http://customs.hmrc.gov.uk>, in Germany: <http://www.finanzamt.de>, which will take you to the *Finanzverwaltung* for your state), a solicitor or small business advisor.
4. Consider the need for a logo, business cards, a company image, business stationery etc.
5. Investigate local funding options for setting up your business. You may be entitled to loans or grants, so investigate possibilities via the small business advisor, Business Link in the UK <http://www.businesslink.gov.uk/bdotg/action/layer?topicId=1073861197&tc=000KW020210764>, or via the *Arbeitsamt* or *Industrie- und Handelskammer* in Germany.

## Presenting freelance support for the freelance membership...

6. Contact your local tax office as they often run free courses to help you understand the tax implications of being self-employed (this is certainly the case in the UK), or will offer advice on an individual basis. Business Link in the UK may also be available to help you establish your business, and often offer free or subsidised courses. Contact the *Arbeitsamt* or *Industrie- und Handelskammer* in Germany for this type of information.
7. Decide whether you want to hire office space or work from home. Consider all the implications of having a 'home office' because this can often mean that you never 'leave work' even on a weekend (list out the pros and cons, and discuss this with your partner if you have one). If you are short of space at home, then renting office space might provide a better option.
8. Consider the need to be Value Added Tax (VAT) registered. You should investigate the rules governing the charging of VAT, as in the EU, VAT is not usually chargeable for clients based outside your own country (this applies to editing, writing and translation, but not to training, although there is some variation in how the EU VAT legislation is interpreted from country to country). Your own country's VAT rules should be reviewed. (UK VAT site: [http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?\\_nfpb=true&\\_pageLabel=pageVAT\\_Home](http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageVAT_Home), Germany: contact your local *Finanzamt* or *Steuerberater*). If you are not sure about whether you should charge VAT or not, you must seek advice from a tax advisor.
9. Consider the need to make your company limited. Some UK-based pharmaceutical companies and recruitment agencies require that persons who work for them do so under the auspices of a limited company.
10. Consider the need for establishing a presence on the Internet. Buying a domain name is often worthwhile. This is inexpensive and will avoid complications if you subsequently change your Internet Service Provider (ISP) as you can retain your e-mail address. It will also allow you to use an e-mail address that relates to your business, rather than a generic name (e.g. [btinternet.com](mailto:btinternet.com)). It will also provide web space if you decide you need a presence on the World Wide Web. Alternatively you may find it easier to use a [yahoo.com](mailto:yahoo.com) or [mail.com](mailto:mail.com) address as you can change ISP without altering your e-mail address. There may be limitations on the size of files you can send or receive as attachments, and so it is advisable to investigate all options.
11. Consider the need for opening a business bank account. In the UK some banks charge for business accounts while others do not (e.g. The Abbey). A separate account for business is a more efficient way of managing your affairs. In Germany costs for a current account are much higher than in the UK, and business bank accounts are very costly, so a second current account is usually quite adequate. Investigate all options and deals available. Decide how you will use your business account. You may choose to pay yourself a set amount each month and keep some in a separate account for your tax bill, etc. Try to use your business (or perhaps a separate current) account so that you can easily identify all business expenditure. This simplifies year-end accounting.
12. Engage the services of an accountant and maintain your book-keeping on an ongoing basis. Advice from a tax advisor when you submit your annual account to the authorities can ensure that you claim for all the business expenses you are entitled to. Your local tax office may also offer to go through your tax form with you and offer advice on what you can and cannot claim for, or offset against your tax bill.
13. In some countries, bear in mind that after your first tax declaration you will be required to pay income tax and VAT in advance.
14. Once you decide to become a freelancer, make it a basic principle to keep every receipt you receive and keep a written record of every car journey. Many items and business travel are tax deductible, saving you income tax and VAT.
15. Consult the EMWA list of points for inclusion in freelance medical writers' agreements or contracts when setting up or reviewing contracts. If you do not use written contracts, always ask your client to confirm the essential points of the agreement (after considering the EMWA points for inclusion in freelance medical writers' agreements or contracts) in an e-mail (check whether e-mails are legally binding in your country). If not, ask for brief confirmation by post.
16. Whenever possible, only perform work after having a (signed) agreement in place (this may, of course, be an e-mail). If a potential client invites you to attend a meeting before signing a contract, then make clear your expectations in terms of compensation for meeting attendance. This also applies to telephone conferences.
17. If you are unsure of the reliability of a company or organisation you will be working with, it is good practice to check this via your country's listing of registered companies. In the UK consult the Companies House listing <http://www.companieshouse.gov.uk/>. In Germany most public listed companies can be found at <http://www.deutscheboerse.com> or you can ask the local *Industrie- und Handelskammer* for information. Also check company websites to see how well-established the company is, for example, determine the number of products on the market or in the pipeline and how the company is financed.



## &gt;&gt;&gt; Presenting freelance support for the freelance membership...

*Points for inclusion in freelance medical writing agreements*

The following points are suggested for inclusion in freelance medical writers' agreements or contracts (henceforth referred to as the agreement). The agreement may be initiated by the medical writer, using the points listed. Alternatively the points may be used as a checklist of items included in client-initiated agreements.

General

1. Detail all parties included in the agreement, the date of initiation, and services covered by the terms of the agreement. The agreement can be extended beyond this period by written agreement of both parties. State that any interim alterations to the scope of agreed work will be regarded as additional, must be made in writing, and that payment for this additional work will need to be negotiated. State that the assignment will be considered completed on submission of the last planned piece of work, and that this is when the final invoice will be submitted.
2. The agreement/contract must be signed and dated by both parties (the place of signing is also needed in some countries).

Financial

3. Detail the agreed hourly rate, or absolute value of the agreement, and when invoices will be issued. This may be monthly in arrears or on completion of agreed milestones. Detail how many days the client has to pay from the date of the invoice. Industry standard is 30 days. If your company is VAT registered, you may need to charge VAT. Charging of VAT should be investigated for your country. If your client is based abroad, the agreement may be VAT exempt. Clearly specify if VAT will be charged or not.
4. Be clear that payment for services is not dependent on publication, for example, in the case of preparation of a manuscript. The writer should be compensated for the actual writing task and this should be independent of acceptance of the manuscript by the target publication.

Liability

5. State that the services will be performed on a 'best-effort' basis in accordance with the standard of care reasonably expected in the performance of such services. State that the client is responsible for providing sufficient information and materials for execution of the agreement in good time (stating dates, if possible). The client must be available during the execution of the agreement to answer questions. Any delays caused by unavailable data on the part of the client remain the responsibility of the client. State that the writer will inform the client in good time if he or she feels that agreed timelines can no longer be met because of late delivery, unexpected volume, or other reasons, and that new timelines (and possibly higher remuneration) must be negotiated.

6. State that the client will be responsible for checking the contents of the prepared texts for errors and inaccuracies, and will be responsible for the final sign-off of that text. The client must hold harmless and indemnify the writer against any liability except in the case of intent or gross negligence on the writer's part. The client should also agree to hold harmless and indemnify the writer regarding third party rights in the execution of the agreement and the writer will not be held liable for any damage or loss whatsoever.

Copyright

7. State that any information, inventions or discoveries (whether patentable or not), product innovations, suggestions, ideas and reports made or developed under this agreement shall be promptly disclosed to the client and shall remain their property.
8. State that right to use the work developed under this agreement will be transferred to the client after payment of the entire cost of the agreement.

Termination

9. State that either party can terminate the agreement at any time by giving 30 days' written notice. However, if this is not possible (e.g. through illness) then state that termination may be agreed immediately. Clients might reasonably expect that under such circumstances a replacement writer is suggested. A clause can be included that during the period of notice the writer will make reasonable efforts to find a substitute writer who, to the best of his or her knowledge, can fulfil the contract, but that no guarantee of this can be given.
10. State that upon completion of a project, all material provided or developed as a result of the agreement will be destroyed or returned to the client and that, as far as possible, all electronic materials will be deleted.

Confidentiality

11. During the term of the agreement and for ten years afterwards state that due care shall be exercised to prevent unauthorised disclosure of confidential information.

Dispute

12. Depending on your location, state that this agreement shall be governed in accordance with your country's law (and in some countries, e.g. France and Germany, a 'place of jurisdiction' [meaning the name of a town] has to be given). In the case of dispute, state that the parties will first attempt to resolve the dispute by mutual consultation and agreement out of court.

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