



## **Bonus Report #4:** *How to Negotiate With Your Freelancer to Secure Great Deals*

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## Introduction

You need a freelancer, so you search Google, Craigslist.org and maybe even freelancing sites and forums.

You find a freelancer, hire them, pay their fee and get your project completed.

End of story? *Not* quite.

Truth is, **everything is negotiable – and that includes your freelancer's rates.**

Indeed, if you're willing to discuss the rates with your freelancer, you may be pleasantly surprised to find that the freelancer offers some flexibility in terms of rates, payments and terms. And once you know what bargaining chips and leverage points you hold, you stand a better chance of getting a great deal!

Tip: While you are about to learn ways to get good deals from your outsource staff, let me say this:

Do NOT haggle endlessly.

That is, you should inquire about discounts and even make a proposal, but don't push the issue if it's declined. Doing so gives the impression that you don't respect the freelancer's time or talent. And if the freelancer gets that impression, he or she will likely just decline your projects no matter what. This is particularly true of a well-established freelancer who's so busy that he or she doesn't need to accept lower offers.

## Inquire About Special Offers

You don't know until you ask! That's why you should always ask your freelancers if they currently have any special offers going on.

Here are some of the most popular offers you'll see:

- **Introductory offers.** If this is the first time you're working with a freelancer, then ask if he or she has any introductory offers (i.e., offers for new clients). Some freelancers offer discounts to bring in new business,

while giving the new client an opportunity to try the freelancer's services out at a reduced rate.

- **Special offers for existing clients.** If you've worked with a freelancer before, then from time to time they may extend special offers for existing clients. Do note, however, that often these deals are only available to their best clients.
- **Special offers to lure back previous clients.** If you've worked with a freelancer in the past but not lately, then you may check to see if there are any "we want you back" offers.
- **General sale.** Naturally, the freelancer may have general sales and discounts from time to time. Generally, you'll see these sorts of sales when the freelancer is looking to fill an empty or sparse project calendar, so it can be hard to predict when you'll see these sales.

## Try Bartering

Sometimes you may not have to pay cash for a service. Instead, you can barter for part or all of the purchase price.

In essence, what you'll do is trade products or your own services in return for the freelancer's services.

### Examples:

- You know how to design websites. You offer your web design skills in exchange for content creation.
- You sell online marketing products. You offer a package of products in exchange for a discount on a freelancer's rates.

The above suggestions are pretty conventional.

But the truth is, you can offer anything of value to a freelancer.

Example: If you hire a local freelancer, then you can even offer bigger products and/or more personal products (like a 4-wheeler ATV).

Obviously, not every freelancer is going to be interested in bartering. That's why you may want to consider offering your bartering proposals where interested parties are most likely to see them. For example:

- **Post on [Craigslist.org](http://Craigslist.org).** Craigslist actually has a bartering section, so it's one of the best places to seek out people who're interested in bartering. Naturally, you can also post an ad looking for a service provider in the employment sections of the site, as long as you're absolutely clear upfront that you're interested in bartering rather than paying cash.
- **Post on the [WarriorForum.com](http://WarriorForum.com).** You can post in the "joint venture" section if you're looking for a straight deal where you exchange services. Otherwise, you may post in the "wanted" section of the "*Warriors for Hire*" section. You can also try posting in the "*Warriors Classifieds*" section.

## Ask for Volume Discounts

Some freelancers advertise discounts for bulk orders. And while others may not specifically advertise their bulk-order discounts, they may still make them available to those who ask.

As such, it doesn't hurt to ask if there are volume discounts.

Example: A ghostwriter may have rates like this:

- Order up to 25 articles, pay \$15 per article.
- Order between 26 and 50 articles, pay \$13 per article.
- Order 51 to 75 articles, pay \$11 per article.
- Order over 75 articles, pay \$10 per article.

## Bundle Similar Services

If you can't secure a volume discount by purchasing multiple orders of the same service, then you may be able to secure a discount by purchasing multiple related services. For example, let's suppose you need:

- A pack of 10 articles.
- A short report that you're going to use as a lead generator.
- A longer paid ebook.

Instead of posting three different ads on Elance.com or otherwise looking for three different freelancers, post it all as one project. The bigger budget will attract plenty of high-quality freelancers. And you may just get a discount for the bundle.

If you're already working with a freelancer, then ask if they offer any bundle discounts if you order multiple services from him or her.

## Schedule Future Work

Here's the idea: You ask for a discount in exchange for promising to order more of the service in the future.

A word of warning, however: Be careful with this tactic. It's best used if you already know the freelancer and have established a working relationship with him or her.

You see, just about every freelancer has heard a service buyer promise to "send you a lot of work in the future if you give me a good discount."

Problem is, a lot of these buyers are outright lying. They have no intention of giving the freelancer even one more job, much less "a lot" of work in the future. That's because this buyer is just looking to pay the absolute rock bottom price and then move on to the next freelancer who'll offer a discount on a vague promise.

Point is, if you approach a freelancer with this sort of proposal, you're unlikely to get a positive response. Thus you should only use this strategy when working with people with whom you've already established a good and trusting relationship.

## Look for Particular Kinds of Contractors

There are certain types of contractors who're more likely to offer discounts and/or overall lower prices than their competitors.

Here's what to look for:

- **Freelancers looking to build a portfolio.** Sometimes new freelancers are willing to offer surprising low prices in order to gather testimonials and build

their portfolios. Keep in mind, however, that these freelancers are untested. That means you're gambling if you hire them.

- **Students.** Better yet, find talented students who've never thought of freelancing before. Simply place ads in the campus newspaper and you'll find talented people who're often willing to work for less money than other freelancers. Hey, it beats working at McDonalds!
- **Work at home moms.** Some moms are looking to get rich as freelancers. Instead, they're just looking for something they can do to pick up an extra couple hundred dollars every month. As such, some work at home moms offer good freelancing deals.

Tip: See [WAHM.com](http://WAHM.com) to learn more about this particular group.

- **Freelancers residing in poor countries.** This is simple math: If the average income and/or cost of living is only a few hundred dollars per month in a developing country, then these freelancers are often able to compete based on price.

Keep in mind, however, that some of these freelancers don't speak English very well. As such, you need to be sure that the person speaks and understands English well enough to understand your project briefs.

Tip: Do NOT assume that every freelancer residing in a developing country is willing to offer rock-bottom prices. Far from it. That's because a person's residence is just part of the equation, and not even necessarily a big part of the equation. The person's talent and other qualifications tend to play a bigger role in how he sets his rates.

- **Individual freelancers (rather than outsourcing companies or middlemen).** Point is, if you're hiring anyone other than the direct freelancer, then you're going to be paying a premium (as the outsourcing company or middleman needs to make money on the deal, too).
- **Freelancers with sparse or empty project calendars.** As mentioned before, freelancers who need to fill their project calendars may be more likely to accept a lower price for their services. (Sometimes, but not always.) It's like hotels that offer good deals on rooms, rather than letting those rooms go empty for the night.



## Offer Special Incentives

Still another way to secure a good deal with a freelancer is by offering special incentives.

Here are four ideas:

### 1. Paying the full fee upfront.

Some freelancers accept a percentage of the payment upfront, with the remainder of the payment due upon delivery. Other freelancers accept full payment upon delivery of the completed project. If you encounter freelancers with these payment terms, you may be able to secure a good deal simply by offering full payment upfront.

Tip: Alternatively, you may offer partial payments. For example, you can offer 50% upfront, 25% when you get the rough draft (or half of the project), and the remaining balance upon delivery.

### 2. Offering bonuses for early delivery.

Here's how this one works: Let's suppose a contractor quotes a price of \$1000 for a project. You can offer the freelancer 75% of his bid, which is \$750. Then you can offer the remaining \$250 as a bonus ONLY if the freelancer completes the work on a specified date.

Obviously, this strategy doesn't result in any direct cash savings for you if the freelancer delivers on time. However, if you have a tight deadline, this strategy does help insure that the project gets completed quickly. And obviously, keeping your project on track is likely worth far more than any discount!

### 3. Extending bonuses for meeting goals or benchmarks.

If you have some sort of performance-based task, then you can offer a partial cash payment upfront with extra commissions or payments going to your freelancer if specific (measurable) goals are met or exceeded.

In essence, you don't need to pay your freelancer any extra money unless the freelancer's work is putting extra money in your pocket.

Example: Let's say a freelance copywriter has a rate of \$7000 per sales letter. You can offer \$5000 plus 10% of the profits.

Tip: Keep in mind that this is another technique that freelancers who don't know you will often turn down. That's because if you pay them the full rate, it's a sure thing. But if they accept a discounted rate plus royalties, commissions or other payments, they're basically gambling.

Take the example of the copywriter. His letter could be absolutely perfect, but if you don't put targeted traffic in front of it, the letter won't convert a single person and it won't make a dime. So, since the copywriter can't control your marketing process, he may turn you down.

#### 4. Suggesting a delayed start.

If a contractor is fully booked, he doesn't really have a reason to accept a discounted rate. However, if you make your project a low-priority task with a delayed starting date, then your freelancer may be willing to accept the discounted rate.

Note: this is unlikely to happen if the freelancer regularly keeps a full calendar, as he can get premium prices all year around.

## Conclusion

Congratulations – now you know seven strategies and over a dozen ways to negotiate with freelancers and secure discounted rates.

If you take away one thing from this report, remember this: **You don't know until you ask!** So don't be afraid to:

- ➔ **Inquire about discounts.** It's like a hotel – if you call them, they'll almost always quote their "rack rate" (full rate). But if you ask if they have any discounts available, you may be pleasantly surprised. Plus, it helps if you seek out freelancers who're more likely to offer discounts (like those looking to build their portfolios).

- ➔ **Barter.** If you have something valuable that the freelancer wants, you may be able to trade. Just be sure to talk to your accountant to find out how to handle these transactions during tax time.
- ➔ **Negotiate.** Finally, sometimes you just need to outright negotiate by making a proposal, such as by negotiating prices on volume orders.

Now that you know these strategies, get out there and use – and save yourself some money!