

Learn how subcontracting to other freelancers can expand your income potential.

# **Hey Freelancer Go Clone Yourself**

By Kathleen Krueger and Michael Stover

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# HEY FREELANCER

Go Clone Yourself



Learn how subcontracting to other freelancers can expand your income potential.

Kathleen Krueger and Michael Stover

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# The Secret to Kathleen's Success

For most of my life (over 20 years), I (Kathleen) worked in the construction industry for a general contractor. When a person wants a new home built, they can hire a carpenter, a plumber, a roofer, an electrician, a mason, a painter, and others with specialty skills. Each will have a separate contract with the landowner. Or he or she can go the no-hassle route and hire a general contractor.

The general contractor takes care of hiring all the other trades, and they "subcontract" to the general contractor. The landowner has one contract, it is with the general contractor. If there is a problem, they contact the general contractor. If they want to make changes, they contact the general contractor. If the painter doesn't show up to do the work, the general contractor replaces him with another painter from his list of subcontractors.

There are several benefits from the general contractor's point of view as well. If you're just a single carpenter hired to build homes, you are limited on the number of projects you can work on at once. Your income is also limited to the number of hours you can work in a year and the rates you can charge for that work. You may also find yourself limited by your skills and experience.

Perhaps you are great at framing up a house, but the finesse required for finish carpentry, installing trim and cabinetry, tries your patience. A general contractor can hire multiple carpenters, both framing carpenters and finish carpenters. He can have several construction projects going on at once. He gets

to put more of his fellow tradesmen to work and earn a living for himself at the same time.

In addition to increasing the volume of work that you can handle during a year, a general contractor will make a "general contractor's fee." It could be calculated as a set markup percentage on all the costs in the project or it could be generated in other ways. This is how the general contractor pays for his overhead expenses like insurance and equipment. It is also how he generates an income for himself and his business.

All of this can be translated over to other types of service business models, including digital services like writing, virtual assistants, graphic design, and more. It was natural for me to hire another writer to help me with my workload as the clients and assignment volumes increased. It wasn't something I set out to do. It just happened. And it worked!

# Why This Model Works

My business model didn't come from brainstorming business growth options. It was totally serendipitous. It just evolved. I had no model to follow except what I'd seen in the construction industry. I didn't know anyone who was approaching their freelance business in this way. I was flying by the seat of my pants trying to keep up with assignments and prospects for new clients.

About a year into this growing business, a friend who had owned several businesses himself asked me how much of a margin I was making on the work I was subcontracting out. When I told him, he instantly told me I was losing money through subcontracting instead of making money. That woke me up.

How could that be? My total revenue had almost doubled. How could he say I was losing money? But he was right.

I was putting in way more hours trying to bring in enough work for myself and my subcontractors. My total revenue was higher, but my gross profit (the amount I earned for myself) wasn't much more than it was when I was working solo. Divide that amount by increased hours, and I was making less per hour than I was before.

Figuring out how much markup I needed on subcontracted work to make it profitable was my first big hurdle. I wanted to be fair to my subcontractors, but I couldn't afford to give them work if it was working against my own personal goals of working less, not more.

"Success does not consist in never making mistakes but in never making the same one a second time."

~George Bernard Shaw

Even today, I am continually refining and improving my process, but my model has finally brought me to the place where I am working less and earning more. I am now retired, but still earning an income from my business. While I was still writing full-time, approximately 50-70% of my annual income was produced by my subcontractors. I hired a project manager and a part-time bookkeeper to take on most administrative tasks. For the most part, my company operates without me.

# Less Work, More Time

My primary goal in becoming a freelancer was to have a more flexible schedule. That goal was quickly realized. However,

flexible hours don't necessarily translate into less hours, especially when you are working hard to build your client base. I found that as a freelancer, I was always at the beck-and-call of my clients. Even when I was on "vacation," I still had my laptop with me and spent several hours working most days.

With a retired husband who loves to travel (as do I), I began working toward decreasing my work hours without decreasing my income. My team of subcontractors allowed me to do that. With over 50-70% of my income coming from my outsourced work, I could enjoy a leisurely morning before heading up to my office. I could leave my office to spend time in the kitchen making a good home-cooked dinner. I could close my laptop most weekends and take full days (or even a week) off without concern about losing my daily income. If more free time is less of a priority for you, then the extra hours become available for generating more income. It's all a matter of priorities.

#### **Givers Gain**

I learned this motto from a popular networking group — Givers Gain. This motto also fits my approach to business. From the very beginning, helping other writers find work as a freelancer has been a natural part of what I do. Sometimes that meant simply sharing information and opportunities. Often, it has meant hiring them to do some writing for me to help build their portfolio and their experience. I never consider other freelancers to be competitors. There's plenty of work for everyone, and I'm happy to help someone get their share of the pie. During my first year of full-time freelancing, I paid out over \$17,000.00 to other freelancers.

- "Thanks to Kathleen I was brave enough to take my own steps into the freelance writing arena. I've never looked back." ~ Kate Smedley, Nottingham, England
- "I don't think I would have become a true freelance writer without your assistance! I have learned SO much from not only your advice but guidance as well." ~ Nicole Stracek, Minnesota
- "I'm so privileged to have been introduced to you.
   You've been a source of information, freelance gigs, and inspiration. You rock it, woman!" ~ Carissa Andrews,
   Minnesota

I have had as many as 20 writers working on projects for me at one time. Many writers have launched full-time, successful freelance careers after having worked on my team. My sister has been earning a full-time living as a freelance writer on my team for over eight years. I am known and respected in my local community as a successful small business owner. My list of clients has included companies in the U.S., Canada, Britain, and Australia.

My biggest client, a local SEO marketing firm, has been working with me since 2012. Their need for content writers can fluctuate greatly. They used to look on sites like Upwork to fill those fluctuating needs. After over three years of receiving consistent, quality blog articles from my team, they quit looking for writers. Now they depend on me to provide the writers for all their content needs for websites, blogs, emails, video scripts, and more.

They provide thousands of dollars in revenue per month for my company. Occasionally, those needs spike drastically, doubling or tripling our monthly workload. Doesn't a big influx of

assignments increase my admin workload? A little, mostly gathering additional writers beyond my regulars to meet the need. But the increase in my monthly profit far outweighs the extra administrative work.

#### What Are the Numbers?

The bottom line is always the numbers, right? How much more work can I take on by outsourcing to other freelancers? How much more revenue can I generate? These are legitimate questions. The answers depend on a lot of different variables in the equation. I can show you what I experienced in my own business as I stumbled along to find my way, but (I would hope) that having some guidance before you start will provide benefits quicker. Remember, my main goal was to decrease my hours, more than to increase my income, so that has been my main measuring stick.

#### Timeline

April 2010 – Began freelance writing while working full-time

February 2011 – Quit my job to freelance full-time (with enough work to replace my income)

February 2011 – Hired my first subcontractor to help meet demand

Year 1 – Had subcontracted \$17,000 worth of work in my first year to other freelancers

-Year 3: I had doubled the revenue I had made in my first year, but the profit margin wasn't increasing. Time to make changes to business strategies.

- -Year 4: I lost two of my biggest clients, over \$35,000 worth of work for the year, but my gross revenue only dropped \$10,000 and I still made more than I had in my first year in business.
- -Year 5: Doubled my revenue from the previous year and increased my outsourced income from 30% to 63% of total revenue.
- -Year 6: Revenue remained stable with outsourced income at 58% of total revenue; hired a part-time project manager.
- -Year 7: Revenue increased by 4% and outsourced income is at 68% of total revenue.
- -Year 9: Revenue remained steady, but **PROFIT grew by 25% and 93% of my income was outsourced.**
- -Year 10: 2020 COVID!! Revenue dropped by 9%, but **PROFIT** grew by 10%!
- -Year 11: Semi-retired. Revenue exceeded the previous year and the pay rates for all team members were increased substantially.
- -Year 12: RETIRED! My project manager runs the team and only comes to me for new decisions or help with more complex issues.

Highest volume year: Revenue: \$202,347

48% Blog revenue 52% website copy revenue

#### **Testimonials from Clients**

Kathleen and her team at Crafter of Words have been writing website content for many of our clients' websites as well as press releases for a few years now. The writing is always outstanding and double/triple checked before it gets to us. I have a very high level of trust that the product I receive from Kathleen is of the highest quality - it always is! I highly recommend Crafter of Words for any content projects.

David B, Find Local

(Kathleen) is a professional in every aspect of her service to her clients, providing constant communication on progress and delivery of high quality content that is often ahead of schedule. I can recommend her creative writing services without hesitation.

– Gary S, Expert Internet Marketing

Amazing quality. Exactly what I needed. I sent one email and they nailed it. Will use them again for sure.

- Brian, eProphet Media

#### What You Are About to Learn

There are several key ingredients to making this business model a success. Getting them right is critical. At the same time, there is plenty of flexibility to adapt the general strategy to your business style, your skillset, and your entrepreneurial personality.

## Get ready to learn:

- 1. The percentage of profit margin you need on subcontracted work to make it worth the effort.
- 2. How to find subcontractors you can count on and who will be happy to work for you.
- 3. The types of clients and assignments that are ideal for this business model.
- 4. Tools and strategies for managing your team.
- 5. How to follow the legal requirements related to hiring subcontractors.
- 6. Accounting tips. (I have an accounting background. Got some good stuff for you.)

Prepare to take notes, underline, highlight, whatever you do to keep track of the insights you are about to glean. (Aren't you glad you can do these things with a Kindle book, just as well as paper?)

Let's start the cloning process!

## **Learn More About the Authors**

Kathleen and Michael would be happy to hear from you. You can learn more about them, their copywriting services, and other resources they have available by contacting them online. Both Kathleen and Michael welcome opportunities to speak to groups of any size on a variety of subjects.

# Kathleen M. Krueger - Owner of Crafter of Words LLC

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Medium: https://medium.com/@kkruegerwriter

## Other Books by Kathleen (Available on her website)

- 1. The Fast Track to Freelance Success Online
- 2. Scent of Spirit, poetry booklet
- 3. Your Website Content Writing Plan

## Michael D. Stover - Freelance Writer & Editor

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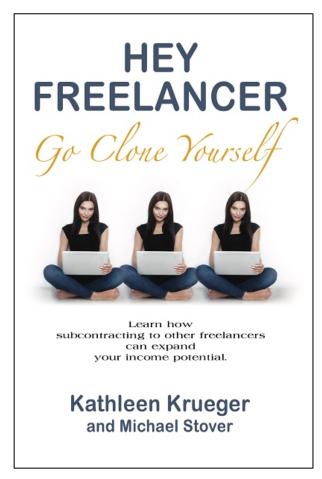
Medium: https://michaeldstover.medium.com/

# Other Books by Michael (Links available on his website)

- 1. How to Write Well: 2nd Edition
- 2. My Writing Journal: 30 Lessons for Better Writing
- 3. Creative Writing Journal
- 4. Presidential Quotes Journal

# Kathleen Krueger & Michael Stover

- 5. Best Damn Marketing Tool Ever (with Donna Amos)
- 6. re.CLAIM.ing: A Handbook for Developing a Restorative Culture in Your Church (with Pete Tackett)
- 7. Jesus and Dirt



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