DOUBLE YOUR FREELANCING RATE

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Most of my websites are structured as sales letters. This is an old format that comes from direct response marketing. A great sales letter will walk the reader through a story, with the intent of proving that the author empathizes with their needs and has a solution. They close with a call-to-action, which is often a strongly worded case that gets the reader to buy something.

Just about every website of mine is structured this way.

And great proposals are really just sales letters for one.

The Composition of a Proposal

What is a proposal?

It’s a written document that is meant to propose to someone what exactly you’ll do for them, when you’ll do it, and how it will get done.

Proposals can be sent to hot leads, but I prefer delivering them to existing clients. This is why I put such an emphasis on what we covered in the last chapter — I want to establish cash flow, and I want to have already delivered a return on investment.

Most freelancers know enough about sales (or at least, have seen enough proposals from other people) to know that “here’s what you’ll get and here’s what it will cost” is often not enough to win a client.
Freelancers will often include some sort of executive summary or bio to provide a bit of social proof and possibly even outline the objectives of the project. This is done to possibly one-up their competition by showing off that their past clients are bigger and better than their competitors’.

It makes a hell of a lot of sense to optimize the way you write your proposals. Think about everything that precedes issuing a proposal: get the lead, qualify the lead, and meet with them at least one time. This can sometimes account for hours of time invested in a relationship, which hinges on the acceptance or rejection of the proposal. Proposals, and the time spent getting to the point of sending one out, eat up a lot of time that could be spent billing. Increasing your proposal conversion rate is one of the most effective ways to make more money.

I have an opinion on how proposals should be structured, and this comes directly from the cumulative wisdom collected from decades of direct marketing.

1. The Problem or Pain

Behind every project lies a problem. And while you’ve by now beat the problem to death in your sales meetings with prospective clients, it’s important to keep it always close at hand. If quantifying the financial upside anchors your cost, quantifying the problem anchors the project scope. Leading with the problem, and referencing it throughout your proposal, will ensure that your client understands that you empathize with what they’re going through.
2. The Solution

Recall when we overviewed how to come up with a solution and offer. We’re going to take the results of our findings and simply cast them as the inverse of the problem. Remember, if it’s raining out and we’re wet, the solution is to stop getting wet. That’s it.

When describing the solution, think less about the results of whatever technical decisions you make (the offer), but rather concentrate on what you know the client wishes today looked like. If they’re losing money due to crappy workflows in the software they use, the solution is to stop losing time and money — not better software.

3. The Offer

This is where you come in and tie the problem together with the pain. Here you describe the technical solution, anchored against the constraints setup by the problem/solution. You’ll discuss the “features” (what you’ll do), but they’ll always be anchored against the “benefits” (how they’ll get the client one step closer to the solution.)

In the next chapter, we’ll talk a bit more about how deep you go into the technicals of your offer.

4. Overcome Objections

It’s important to expect and understand any rebuttals a prospective client might have. They’ve assigned a certain amount of risk to this project — They’re wondering how realistic it is for you to be able to complete the pro-
ject, how realistic it is that the project you’ll build will be the right “bridge” to help them cross the chasm, and how realistic it is that the solution is attainable at all.

With all of this in mind, you’ll reflect on everything you know about the client and have heard from them... What doubts have they shown? What fears, either intrinsic or extrinsic, have caused them to second guess something about this project?

5. Social Proof

Showing somebody that you’ve done this (successfully) before for past clients is critical to shortcutting the hesitations they might have in working with you. But it’s just that — a shortcut. It’s a method of proving that you’ve done this before.

The goal here isn’t as much to overwhelm the client with a laundry list of past clients, as we typically do on our portfolio websites. Instead, we want to show them that we’re excited about helping them bridge the gap from the problem to the solution, while connecting the dots to whatever past successes help us do that.

An example might be another time you helped a client achieve a similar end to the goal of this project. Chances are the client has heard this already from you — these sorts of case studies are what help us get clients to the point of drafting a proposal.
6. Ask For The Sale

The first stage of the proposal process, the Roadmapping meeting, is to get a clear understanding of the business and what the path to the solution would look like.

The next stage is the focus of this chapter — the actual proposal, which recaps everything we know about the project and lists out our terms: what we charge, what packages we propose, and so on.

Finally, the last stage of this process is to collaboratively estimate the project. I have the list of requirements, and by now I’ve estimated the complexity of each of these requirements. This will give me the total number of weeks this project will require, which can be multiplied against my weekly rate.

But this number — the product of the number of weeks and my weekly rate — may or may not be more than what the client has budgeted. And that’s often just fine. Through a collaborative estimating process, I sit down with my client and talk about the overall prioritization of the work, the initial scope, and their budget.

I’ll work with them to front-load the most valuable requirements of the project. I want to ensure that if and when they do exhaust their budget, they’ve received a solid product that outweighs what the cost of the budget and produces a strong financial upside for the client.

And because these collaborative estimating sessions are done either in-person or over the phone, I’ll close by letting them know when I’d be able to
schedule their project, and that to do that will require a deposit to “pencil them in my calendar.”

Even if I have availability starting tomorrow, I’ll never start a project right away. Part of the sales process is to both establish a sense of desirability and urgency. If the client believes I can start a project whenever, they’re more likely to sit on it.

So by choosing a future start date, even if you could start right now, you’ll create scarcity. And by making it clear that without a deposit in hand this date is liable to be given to someone else, you’re creating urgency.

It’s All Risk Management

Everything about your proposal — emphasizing with the client and their problems, anchoring your offer against the problem/solution, wielding your financial upside calculations, and overcoming objections — is all meant to remove the risk associated with the client accepting your proposal.

An Abridged Example

In the Complete Package, you’ll find a sample proposal that you can use as a starting point for your clients, but here’s an abridged version that will help you tie all these concepts together (I’ve included some key takeaways below this example):

(The Problem)

Acme Inc has one of the most popular and profitable ecommerce websites on the Internet. However, over the last few years, increased competition has made the cost of acquiring new customers and making
more sales more expensive. This increase has cut directly into Acme’s profit margins.

(The Solution)

What Acme needs is more customers, and more revenue from existing and current customers. A lift in both conversions and repeat buys by just 10% will generate an additional $10,000 a month in revenue, all of which will go toward profit (since we don’t anticipate any rise in acquisition or infrastructure costs.)

(The Offer)

We propose to enable the current site to be more efficient at what it’s meant to do — sell product. A few key changes can help make this happen:

1. Based on the Google Analytics conversion funnel data, cart abandonment is a real issue. About 25% of all people who add something to their cart never purchase. We know there’s intent to buy, but people are getting confused during the checkout flow. We’ll minimize “friction” elements that are currently causing this drop off.

2. We’ll start sending out cart abandonment emails, which will encourage people who closed their browser after adding to their cart to come back.

3. We’ll send out individualized monthly digest emails. These emails will be tailored based on past purchase history and promote high margin items to past customers.

(Overcome Objections)

Companies like Amazon go to great lengths to combat abandonment. Acquiring a set of eyeballs on a website is hard and expensive, and get-
ting someone to the point of saying “I want this!” is even trickier. By using some best strategies defined by companies like Amazon, we’re certain that by making some core changes, like minimizing the fields required to complete an order and disabling elements of the on-site navigation, that we’ll be able to substantially increase the number of people who make it through to purchase completion.

Additionally, email is one of the most powerful and misunderstood communication strategies. Since the summertime is your slowest season, with an average drop of about 20% of daily sales, we propose to put in place an email marketing system tailored to offer past customers exclusive discounts. XYZ Corp, a company in a field similar to yours, recently announced that by reacquiring dormant customers they were able to double the effective lifetime value of their customer base. By introducing a robust email marketing strategy, Acme will not only see more sales from the same number of customers, but it should also make budgeting for the summer months significantly easier.

**(Social Proof)**

Last year, we helped another retailer implement some of these strategies, which helped them add 8% to their online sales less than 6 months after delivery — which will yield a 20x ROI on the cost of their project in less than 2 years.

We’re fairly confident that given our track record, we can help you add 10% to your revenue, or at least $10,000 a month.

**(Ask For The Sale)**

We’ve put together two options, based on both the desired growth rate and allocated budget of Acme.
**Option 1 — Cart Abandonment:**

Right now, 25% of all people who enter the checkout flow abandon. If we were to eliminate all abandonment, we’d be looking at a lift of $25,000 per month in revenue. This is unrealistic, but we think that by restructuring the workflow that Acme’s customers use to buy, we can shave between 5 and 10% off that abandonment figure, for an added monthly lift of $5-10,000.

*Estimated Cost: $30,000*

**Option 2 — Cart Abandonment + Email Marketing**

This will include everything from the first option, while also systematically attracting past customers back to Acme. Depending on how complex we make the personalized engine, we can tailor the email content based on browsing, past purchase, and demographic criteria. The more personalized the email, the more likely the customer is to act on it. But at a minimum, we can set it up to send out generic update emails, which will serve universally to lift repeat sales (though without the personalization, it won’t be as effective.) On top of the lift of $5-10,000 that the cart abandonment work will bring, we think we can safely double the lifetime value of all your customers, which is currently at around $130 per customer. This will also allow you to spend more money on customer acquisition, resulting in more purchases and revenue across the board.

*Estimated Cost: Between $50,000 — $100,000*

The estimates represented above are based on our weekly rate of $10,000 a week.
We look forward to working with you on this project, and more importantly, in helping you add upwards of $120,000 this year alone to Acme’s profit.

**Key Takeaways**

You’ll notice that we’re selling *tomorrow*, we aren’t just selling tweaks to a website.

The wording is strongly financial and future focused. I mention the “features” of what we’ll be doing, but don’t dive into the technicals at all. There is room for that, as we’ll find out in the next chapter, but for the most part the majority of clients really don’t care.

Most importantly, though, we’re anchoring this entire proposal against the problem and the financial upside.

Imagine if this proposal was simply, “We’ll set up cart abandonment code and create an email marketing plan for a cost of $50,000”, followed by some boilerplate terms and conditions copy.

The client would be forced to contrast the features against the cost, and would have to internalize, “Is the value of cart abandonment code and email marketing $50,000?” This lends itself to price shopping and also a take-it-or-leave it option. Even though I’m sure many of us would gladly reduce the budget to $40,000 with or without changes to scope, from the perspective of some clients, they have no idea that the cost and scope is negotiable.