

One of the best things about being in the Information Technology industry is consulting. For purposes of this article I'm using the term consulting in reference to side jobs or moonlighting work. While full time Computer Consultants can also benefit from the tips in this article, I'm really writing at the IT Employee who works a full-time IT job and then takes extra jobs for extra money on the side.

So your working your regular job and you want to earn more working for yourself. Here's a few ideas to get started. First realize that its now almost impossible to function these days without a computer in your home. In fact many homes now have 2-3 PC's and eventually they are going to break or will need to be hooked together.

Word of Mouth Is King

To start, get yourself some business cards that explain your services. **DO NOT LIST YOUR RATE** I made this rookie mistake and was tied to my lowball rate once I was more established. So start by spreading the word at work. Hopefully your employer is tolerant of this. To know the limits simply ask someone in HR if the company has a policy regarding work outside of the job. If not you may be able to post a notice in the lunchroom or company classified ad board. However if this is not an option just spread the word among co-workers you trust. Word of mouth is always the best way to bring in new business. Everyone knows someone with a broken computer and you just need to get people talking. Once you get an opportunity, provide more service than the customer expects. Remember these initial jobs are seeds so even if you don't make a profit, the goodwill you earn will keep you working down the road.

The golden ring in doing this is to find someone who will recommend you to a small or medium size business that does not have its own IT staff.

Why Businesses? Because its steady work and businesses know that time is money. Businesses tend to pay on-time, they don't keep junk on their systems, and if a job runs over the amount of time you expect they are generally willing to keep the clock running so long as their systems are fixed. Home clients on the other hand tie the money for the job with the price of the PC. This works against us as PC's become cheaper. Businesses assign a monetary value to their time and data so these are easier clients to work with. They also view hiring you as just another cost of business and will not hesitate to let any employee call you in after you gain their trust.

Advertising

I've tried advertising in newspapers and never found it to pay off. One of the best things I've done besides word of mouth is to use my neighborhood. I put a flyer in each newspaper box advertising my services. The target here is the person who works out of a home office. This is another attempt to secure a client whose time is money. From here apply the same principle of outperforming their expectations. Let them know you appreciate referrals and provide them with plenty of extra business cards. I once was hired to separate two businesses during a purchase. While one half was my client I made sure the other business owner knew the

level of my service and went out of my way to ensure his systems worked as well or better once I left. Of course I taped my card to each of his servers. A better way than walking your neighborhood is to obtain a list of the addresses in your neighborhood and visit <http://www.usps.com> and start a mailing campaign. Select the postcard mailing option and simply upload your flyer, send them your list of addresses and enter your credit card number. I've found that I can canvass a 300 house neighborhood for about \$40.00 – \$50.00 much cheaper and more targeted than my other attempts. The reason you want to use a postcard is two fold. 1) It's cheaper 2) It's easy to hang on to. When I used 8 1/2 x 11 paper flyers I only could reach those with an immediate computer problem. Everyone else simply tossed the ad. The idea is to get them to keep your card for later so offer an incentive to this. Give them \$10.00 off their first job or offer a free consultation. You want them calling you not the other guy.

Billing

Ok here's my take on billing and getting paid. Judgment is the key. When you bill a business be sure to add to your invoice that payment is due upon receipt. Does this mean you'll get paid immediately? Nope but if you leave it out businesses will assume a Net 30 approach and pay you 30 days after receipt and that's no good. So put the payment due upon receipt and see what happens. I give them 30 days anyway before sending a second invoice with a clear notice that this is a PAST DUE invoice. Most times this clears things up. Now I should add that I do have some customers that are inconsistent about how long it takes to get paid but they do pay and furthermore I LIKE working for them. Maybe they are the type that doesn't watch over my shoulder or gives me the key to the place or lets me take stuff home to work on. My point is you be the judge where the hassle is worth the delay if this occurs. Most important spell out your terms on the invoice and send reminders every 30 days. Now home users are different, you should expect them to pay on the spot or very soon after. Just as the local PC shop expects them to pay before getting their stuff back you should too. Judgment comes into play here as well. Some will ask you to stop by for one thing and then keep you longer than expected. DO NOT bring a prepared invoice based on what you believe the charge will be. It's always better to tell them the cost and then e-mail them the invoice after you've been paid.

Tax Tips

If your serious about an on-going consulting business take the time to set yourself up properly. This will pay dividends in increased revenue and tax savings. Assign a room in your house as your home office. This will let you deduct any costs related to that office from your earnings as a consultant. There is no law your business has to make a profit so as long as you document the expenses you deduct you can do so even if the expenses exceed your earnings. The benefit here is that you get some tax savings from your regular paycheck from the loss of your business. Hopefully your business gets going and earns a profit but until this is the case you may as well do what you can to save money. A few examples of things you can deduct are the insurance, utilities, and internet costs proportional to the % of square feet your office consumes. I've even heard that technically you can deduct dog related expenses if you can prove the dog also guards the home office. I don't recommend stretching anything however.

Sales Tax

Get yourself established as a business in your state so you can charge sales tax. I know this sounds crazy but if your going to sell your time, why not sell the parts and mark them up 10% so you make more money. I used to require my clients to purchase items and then call me to install them. Now I just make sure I trust they'll pay and order the items myself. This lets me increase revenue and as long as you keep track of what you charged you simply pay the sales tax at the end of the year, couldn't be easier.

Hopefully those tips will help you start a small business on the side. From there you can grow or shrink the

business as you see fit.

About The Author

John Gall is a full time IT Manager and IT Consultant in Minnesota. He runs several websites as a hobby featuring content similar to that in this article.

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