

Young **Photopreneur's** Handbook

A Guide to Establishing Your Own Freelance
Photography Business



C A N D A C E “ C H E R I A M O U R ” C L A R K

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REPORT

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Chapter 1 - Setting the Foundation

Do you love your work as a photographer but want the ability to pick and choose your own assignments? Do you want to be the one in charge of sculpting your career and building the type of portfolio that you are proud of – one that reflects your style and personality as a professional photographer? Do you think you are the type of person that can seek out new work, handle multiple clients, and meet strict deadlines? If you answered “yes” to these questions and are reading this book then most likely you have been thinking about becoming a freelance photographer.

I am going to show you the “ins and outs” of being a freelance photographer and share some of the struggles that I faced when I first started my career as a freelance photographer. I learned some things the “hard” way and want you to be able to learn from these experiences. There is a lot to learn about being a freelancer that you cannot learn from working in a big company and the purpose of this book is to identify these things so that you can be as successful as possible in your new journey.

Definition of “Freelancer”

A freelancer is someone who works for themselves and provides a particular service for one client or multiple clients. A freelancer will charge their client(s) by the hour, the day, or the project and when the assignment is done, they will move on to their next assignment. One of the greatest benefits of being a freelancer is that you get to pick and choose which assignments you want to take.

As a freelance photographer you will be faced with situations other than just promoting and marketing your photography skills. You will need to learn how to run a small business, handle the stress of finding new work, be able to resolve payment issues, work independently, and handle problems effectively. This handbook is designed to address these issues and train you in the skills necessary to build a successful freelance photography business.

Full-time Job AND Freelancing

Freelancing part-time while you keep your full-time job is the route that many freelancers choose to take and for good reasons. It gives you the chance to “test the waters” and determine if freelancing is right for you. It allows you to gradually build up your clientele while you are maintaining a steady income. You may decide to continue working part-time indefinitely until you feel ready and able to make it a full-time business. Or you may decide that freelancing is not really the right career choice for you at all. But either way it’s a good way to start freelancing without much of a financial burden.

Pros:

- Learn how to market yourself and find clients.
- Discover if you can handle the pressure and learn the skills required to keep clients satisfied.
- Learn the ropes of owning a small business, such as how to prepare invoices, set up accounts, etc.
- Receive income each week regardless of whether or not you were able to secure a paying photo session.
- Build an impressive portfolio while gaining experience in a variety of different fields.
- Save a cash reserve big enough to finance your first three to six months of full-time operation.
- Invest in photographic equipment and business supplies gradually.
- Attend to various business details such as, logos, business cards and forms at your leisure.
- Test freelancing before making a major commitment.

Cons

- Working full-time while pursuing part-time photography work in your spare time can be exhausting. Be prepared to put in time on weekends, holidays and evenings, especially in the beginning.
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Meeting and working with clients will need to be scheduled around your work schedule. This may cause some problems with clients that expect to meet you during business hours (9:00 – 5:00).

It is hard to conduct marketing or personal business calls while at work.

It's hard to give both work and freelancing 100 percent of your time and requires great time management skills to meet deadlines in both areas.

You can get too comfortable and complacent, making the transition to full-time freelancing more and more difficult.

Freelancing Fulltime

Becoming a full-time self-employed photographer has its advantages and disadvantages. Being the one responsible for shaping your own career is a huge draw for many photographers. But it also means that you will be required to put time and energy into managing your business, which takes time away from the creative process.

Pros:

You'll be available during normal business hours.

You will have creative control over your career.

You can use your weekends to recharge and get ready for the upcoming workweek.

You don't have to switch from your work and/or school environment to your freelancing environment.

Cons:

There is a big financial risk.

TIP FROM CHERI AMOUR



When I started my photography business, I was blessed to have an accountant for a Mom, close family and friends whom were also business owners, and professors who were all mentors to me. They taught me things in business as well as in life to be successful. Most importantly, they saw my drive and talent and encouraged me to reach for the stars. I suggest surrounding yourself around like-minded people, as well as people that support your goals. It will help during times you may doubt yourself. These people will also be very helpful when you need their expertise in certain avenues of your business.

You may experience loneliness from time to time.
Working with peers gives you an opportunity to learn new skills and improve your skill set.
Having others to turn to for questions and to meet deadlines can help reduce stress levels.

Should I Quit My job?

Only you will know whether it's right for you to quit your job and start to freelance full-time. But before you take that step there are some things to consider. Remember to leave your current job on good terms. You will need your past employer for references. If you have been working in the photography field, your last employer may need your services to help out during crunches and tight deadlines. Make sure that you approach your supervisor to see if they might have any use of your freelancing services. After all, who knows how to do your current job better than you?

Crunching Numbers

Before you take the plunge, you will need to calculate how much start-up cash you will need. This number is going to vary depending upon your circumstances. If you are a student, you may be eligible to enter a business plan contest and win cash to start your company. Check out the following websites for additional information:

MIT \$100K Entrepreneurship Competition www.mit100k.org.
For younger students "Youth Venture" www.youthventure.org.

I found the following business plan books, videos and software to be very helpful when I first launched my business and I am sure you will too.

Business Plans That Work by Jeffry A. Timmons, Andrew Zacharakis, and Spinelli
Hurdle: The Book on Business Planning by Time Berry
How to Write a Great Business Plan by William Sahlman
The Business Plan – Your Roadmap to Success Video. Order at the Small Business Administration Answer Desk (1-800-827-5722).
Palo Alto's Business Plan Pro. The best-rated business plan software on the market (www.paloalto.com/ps/bp/).

Palo Alto's Business Plan Pro: Social Enterprise Edition. A special edition of Business Plan Pro developed with the Social Enterprise Alliance (www.paloalto.com/ps/se/).

Before deciding upon your final number, keep the following in mind:

Be aware of hidden costs. You will need things like letterhead, business cards, office supplies, and business software.

Have AT LEAST enough money put aside to last you three to six months at a minimum.

Make sure you have put money aside for accountant or lawyer fees.

Remember that this number will vary depending upon your circumstances, but err to the side of caution when calculating this figure. You never know what unexpected circumstances might prevent you from working. Of course, if you are working part-time, the amount required will be a lot less.

Accounting, Legal and Business Must-do's

Once you decide that you are going to be a business owner you will need to determine what type of business structure works best for you. The form of ownership that you select is going to have long term implications so it might be wise to consult an accountant and attorney to help you make the right choice.

When determining the type of ownership you should consider factors like tax implications, expected profit, and liability issues. The four basic business structures are described below:

Sole Proprietorship – Most people who work out of their homes are classified as sole proprietors. It is a simple, informal structure that is relatively inexpensive to form. The owner operates the business and is personally liable for all business debts, can freely transfer all or part of the business, and can report profit or loss on personal income-tax returns.

General Partnership – This is an agreement between two or more people or entities to jointly own and operate a business. Profit and loss is shared among the partners and each partner is personally liable for partnership debts. Partnerships do not pay taxes, but must file an informational return; individual partners report their share of profits and losses on their personal tax returns.

Limited Liability Company (LLC) – This structure combines the limited personal liability feature of a corporation with the tax advantages of a partnership and sole proprietorship. Profits and losses can be passed through the company to its members. The LLC can elect to be taxed like a corporation. LLCs do not have stock and are not required to adhere to strict corporate formalities. Owners (or members) of the LLC or an appointed manager are responsible for the operation of the company.

C-Corporation (Inc. or Ltd.) – This is the most complicated and the most expensive form. It is a legal entity separate from its owners or shareholders. Profits are taxed both at the corporate level and shareholder levels through distributions. Corporations should always use an experienced attorney as they are the most involved.

Sub Chapter S-Corporation (Inc. or Ltd.) – Same as the C-Corporation (see above) except avoids the double taxation and is taxed like a partnership - where the gain or loss is stated on the shareholders individual tax returns and not through the corporation.

Some additional things to consider with the formation of your company are:

- Remember to register your business name and to attain an EIN or TIN for tax purposes.

- Don't forget to open a business checking account (you will need the EIN or TIN number) so that you can separate business and personal expenses.

- Make sure to have a great accountant, or even better, a CPA.

- You should also have a good lawyer or someone you can turn to for legal advice.

Your Personal Roadmap

Your business plan is your personal roadmap towards success. Your business plan is the basis for detailing how you plan on conducting your freelancing business. It's a strategy you figure out in advance and covers things like how you will finance, operate, and profit from your freelancing photography business.

Keep in mind that this document will change and grow just like your business will. It doesn't have to be a 50 page document and can even be as simple as five pages or less when you first begin. Drafting a business plan requires

serious and careful thought and make sure you give it the amount of time it deserves. If you are having trouble writing a business plan, there are lots of resources available on the web, such as Score.org (<http://www.score.org/index.html>) and the Small Business Association (<http://www.sba.gov/smallbusinessplanner/plan/writeabusinessplan/index.html>) that can help you through the process.

If you do not feel qualified to write your own business plan there are lots of writing services available that will write one for you. Check out the website, pamlaughlin.com for available writing services, including business plans, press releases, etc.

Plan of Action

Consider if you want to freelance part-time or full-time, and write your short term and long term goals for whichever you decide. (Remember to include things such as, if part-time: how long before you transition to full-time? , if full-time: how long before you need to have steady cash flow, and how will you make it happen?)

Put yourself in front of people that can help you, such as Score.org, your local Chamber of Commerce, and online photography groups. Get a business plan written.

Decide on a legal entity and open a business checking account.

Have people around you that will support your decision to freelance.
