

A Measure of Safety

DAVID GARRETT

Self-employment is risky. There's no other way to put it. You don't have the luxury (or safety) of a steady paycheck, benefits and all the other perks that come with a full-time job. Clients come and go, there's always a new bill to pay and your success or failure wholly depends on you.

Self-employment has its rewards, of course, and they can be legion. But from time to time, as you go about building your empire, step back to consider your plans for a rainy day. To save yourself a nasty surprise, remove the most common risks — the clear and present dangers — to consulting.

Your Insurance

First and foremost is health insurance. If you're healthy now, great. But problems can strike at any time, whether you're driving on a rainy highway at night or simply lying in bed and feel an odd pain in your side.

All too often, high-tech consultants put off health insurance until it's too late. They tend to be young, brash and, by and large, healthy, avoiding the added expense of a health plan (even a basic plan can set you back \$300 to \$400 per month by the time you're 30). But the cost of a single day in the hospital quickly can run to \$10,000 or more. A full week can run up a bill that takes years to pay off.

The bottom line? Your health is too precious to risk. If you're not insured, start searching for coverage — now. Use Web sites (www.ehealthinsurance.com) or simply call the major companies such as Blue Cross Blue Shield, Aetna, United, Kaiser Permanente, etc. If you belong to any trade associations, see whether they offer a health plan to dues-paying members. If your spouse or partner is a full-time employee, see if you're covered under his or her plan. Just do it now — the best time to patch the roof is when it's not raining.

A Slush Fund

On the risk management ladder, a financial safety cushion comes just under health insurance. You should have six months' cash in the bank — enough to cover your lease or mortgage, your car payments, your phone bills, your food and even your trips to the movies. It takes most people three to six months to find a job if they're laid off or to reconstruct their income if it's dealt a crippling blow.

It's also a safety net in case your three best clients suddenly go out of business (if that strikes you as far-fetched, speak with consultants who lived in New Orleans when Hurricane Katrina hit) or family problems or illness leave you unable to work.



Gotta have more David Garrett? Use CertScope to search and access all his *Certification Magazine* and *CertMag.com* contributions in our archives.

Sales

Of course, the best way to protect against business risk is to make sure you've got a constant stream of new business. And the best way to do this is to market yourself and constantly make sales.

Sadly, most high-tech consultants hate the sales process — it's like a toxin to software engineers, database managers or network administrators who feel more comfortable in a clean room than a business lunch. But all too often, IT consultants get wrapped up in their projects, work fiendishly to meet pressing deadlines and forget to look ahead. The time to find your next client is when you're still working for your current client, so you don't have downtime — that is, unpaid time — between jobs.

There's a simple way to do this. Resolve to spend at least 10 percent of your time in sales efforts every day. Whether you're crafting a new brochure, sending an e-mail pitch, meeting a prospect or just passing out business cards at a convention, make it a habit to shake the money tree daily. And remember: Sales, above all, is a numbers game — the more prospects you approach, the more sales you'll make. So, find time to approach new prospects daily, and you'll find that you'll move from "feast and famine" to a steady, less risky income stream, which should be music to a consultant's ears.

Of course, even if you have the best health insurance in the world, six months' worth of cash in the bank and clients lined up at your door, you have no guarantees against risk. But who does?

As a consultant, your job is not to find guarantees — that's work for the full-time employed. Instead, your job is to manage risk and manage it wisely. That means avoiding dangers before they arrive, so you won't have to solve problems that have spun out of control. ☺

David Garrett is an IT consultant and former IT director who writes about the nexus of business and technology. He can be reached at editor@certmag.com.