



Freelance-Market-FAQ

GENERAL QUESTIONS

Advantages of Freelance-Market

What advantages does Freelance-Market offer to contractors?

- Through Freelance-Market the client comes directly to you, saving you time and money.
- Freelance-Market provides you a highly cost effective and professional alternative to sourcing your next assignment through an agency.
- Your new direct client relationships are yours forever; providing you greater independence, flexibility and control.
- Higher average work rate throughout the year. On average 2.2 jobs (50 days each) per contractor/year.
- Assignments are entered into without the need for lengthy contract negotiations (often within a telephone conversation).
- You stay anonymous and avoid conflicts with current customers.
- Free services: [sample contract](#), payment via [trusted third party](#), free telephone advice, [articles](#), news, ...

What advantages does Freelance-Market offer to clients?

- The Freelance-Market service facilitates a direct contract between the client and contractor. This negates the need for the client to use an expensive recruitment agent that charges commissions for the entire duration of the contract (and extensions).
- Through Freelance-Market, the cost of service to the client on a typical 3 months contract, is less than 2.5% of the contractor costs. This offers the client an enormous saving when compared to the agency fees of between 10-40% for the equivalent service.
- The Client's use of the Freelance-Market Service is free of charge.
- No fees on contract extensions or reassignments.
- The transparency of the system facilitates quick comparison of contractors and fosters a competitive environment ensuring that the contractor offers their services at the best possible rates.
- Fast search facilities.
- No negotiations about hourly rates as these are stated up front and governed by clear rules of using the system.
- Client's feedback is registered and ensures the contractor remains motivated during the whole project.
- Clients have access to free sample contract and non-disclosure agreements.
- Clients and contractors may nominate to manage their risk by using a trusted third party banking facility.
- Free telephone hotline, articles, news, ...

Why are the contractors from Freelance-Market cheaper than at any agency?

Clients pay optimal rates because the relationship is directly between the contractor and client removing the need for an expensive agent to act as 'broker'. Typically, on a 3 months contract, the Freelance-Market fee to the client is 2.5% of the contractor's total turnover. This compares very favourably to the fees charged by an agent, of between 10-40%, on the equivalent turnover. Client's are also able to buy better in as they are able to directly compare the contractor's hourly rates against

others available in the market at the time. On the other hand, the contractor enjoys a higher utility rate resulting in a net increase in annual income.

The following example (a programmer with 60% work load) shows how utilisation and hourly net income can improve:

Example Calculation	Conventional	with Freelance-Market
Acquisition expenses (p.a.):	800 hours	100 hours
Time on project (p.a.):	1,200 hours	1,900 hours
Total (p.a.):	2,000 hours	2,000 hours
Hourly rates:	AU\$ 80.00	AU\$ 60.00 (-25%)
Gross income (p.a.):	AU\$ 96,000	AU\$ 114,000
Expenses for acquisition:	AU\$ 3,000 (expenses)	AU\$ 1,140 (10 introductions)
Net income (p.a.):	AU\$ 93,000	AU\$ 112,860
Net hourly rate:	AU\$ 46.50	AU\$ 56.43 (+ 21%)

Selecting the right contractor

What does references in contractor profiles mean?

Contractors can leave names and email addresses of referees with Freelance-Market. When a client requests an introduction the referee and their contact information will be made available allowing the prospective client to validate skills and past track record. Contractors are able to update their references at any time via email.

How realistic is the contractors profile information?

The contractor is motivated to ensure that their profile is up to date and accurate. The flat fee paid by the contractor for each introduction, motivates them to be accurate in their presentation of their skills and capabilities. An exaggeration of capabilities would result in them incurring unnecessary fees due to the low conversion rate of client introductions to active assignments. In addition, complaints from clients would be seriously examined, possibly reducing their quality rating and in extreme cases might result in the deletion of the contractor from the system.

Who are the contractors listed at Freelance-Market?

The contractors registered in Freelance-Market are independent individuals offering their services at an hourly rate. Contractors are free however to operate under whatever structure best suites them. Contractors can therefore trade as sole traders, proprietary limited companies or may have tax deducted in a Pay As You Go (PAYG) arrangement with the client. However, all our profiles refer to a specific individual who is the direct provider of the service.

Introduction

How does the introduction process work exactly?

- 1st The client chooses the most appropriate contractor on our website.
- 2nd The client requests an introduction by entering his contact information and project details on the webpage.
- 3rd Freelance-Market checks the request for formal correctness and sends-out an introduction email to both the client and contractor. Also, an additional SMS notification is sent out to both parties informing them of the introduction request and providing contact details.
- 4th The client and contractor contact each other and discuss details of the potential assignment. This initial contact should not take more than one hour and is not to be charged by the contractor.
- 5th If both parties agree, the client hires the contractor directly. If no separate agreement is stipulated, the terms and conditions of Freelance-Market apply. You may choose to use our sample

contract.

6th Freelance-Market charges the contractor an introduction fee equal to two times the contractor's hourly rates. This introduction fee is charged irrespective of whether the introduction results in an assignment or not. In the case of an unprofessional client who does not have a genuine requirement (no real need), the contractor must contact us within 14 days in writing. The introduction fee is then dropped and the client might be barred from further use of the Freelance-Market services.

7th The client and contractor might contact each other again at a later time and start (a new or follow-up) assignment. Since Freelance-Market charges only a onetime fee, no further fees arise from follow-up assignments between the contractor and the client.

Why are clients only permitted one contractor introduction per requirement?

The clarity of the contractor's published profile stating hourly rates, skills and capabilities allows the client to evaluate the available candidates and select the most appropriate contractor for the required task. Therefore, there is no need for the client to interview a larger number of contractors saving both the client and contractor, time and money. Our introduction statistics prove the success of this approach:

- 78% of all clients ask for an introduction to one contractor only, 17% request introductions to two contractors.
- Only 5% of the clients wish to be introduced to three or more contractors. In this case, only the first selected will be introduced.
- 37% of our introductions result in active projects - significantly more than other introduction approaches.

Should the client find that the nominated contractor is not suitable, then, they are free to select another one for introduction.

Why are contracting agencies and recruitment companies prohibited from using the Service?

The purpose of the Freelance-Market service is to facilitate a direct contract between the client and contractor. Historically, less than 10% of agency introductions result in work for the contractor which is well below the 37% success rate normally enjoyed on Freelance-Market. Accordingly, contractors who pay for the introduction, prefer not to be introduced to contracting agencies. If the contract agency is serious about the introduction request, they may put in a request and nominate to pay the introduction fee on the contractor's behalf.

Contractor rating

How do I determine the quality of a contractor?

When viewing the contractor profiles you will see a rating from one to three yellow stars. The star rating is based on feedback clients provide on the quality of work undertaken by the contractor.

While most of our contractors have a rating with two stars, only our best 15 percent have a top-rating with three stars. As the stars are constantly recalculated, they reflect the most current contractor rating.

How does a client provide contractor feedback?

Clients can send us an email to info@freelance-market.com.au with their feedback, which will be visible on the contractor's profile. Your feedback can acknowledge or reward good work, but can also motivate weaker contractors to produce better quality work. It also helps other clients in their evaluation of contractors for their next project. Your feedback should be succinct limiting it to one or two sentences, for example: 'Quick to understand complex tasks and is highly creative and effective in solving problems.'

Others

What are the underlying economic principles on which Freelance-Market is based?

The business model used by Freelance-Market was developed by Freelance-Market.de in Germany in collaboration with Prof. Reinhard Selten, Nobel Prize winner of Economics. It is based on the principles

of a completely transparent market place where both contractors and clients have a comprehensive market overview ensuring optimum competitive pricing strategies. As both the profile and hourly rates of all contractors are known, supply and demand pressures ensure that participants make the best market pricing decisions. This is completely in compliance with the game theory¹ as predicted by Prof. Selten. Accordingly, specialist contractors in short supply can demand optimal rates whereas contractors with skills that are more commonly available will need to be more competitive in pricing their services.

How does the escrow service work?

Maybe you and your new business partner are working together for the first time and not sure who should carry the financial risk, either:

- a) The contractor first completes (a part) of the project, but runs the risk that the client may not pay, or
- b) The client pays first, without knowing whether the contractor will ever deliver an acceptable result.

An alternative offered by Freelance-Market is a trusted third party payment service. It is easy to use without requiring advance notification:

1st Before the project starts, the two parties agree on the deposit amount.

2nd The client transfers the appropriate amount to our paypal account at info@freelance-market.com.au. As transfer comment, please use trust deposit of A. Smith for contractor B. Miller.

3rd Freelance-Market informs both parties that the money has arrived on our account.

4th Once the project is completed, the client informs us and Freelance-Market transfers the amount to the contractor.

5th In the very rare case that client and contractor cannot agree, both parties might clarify the payment via arbitration or through the court. Freelance-Market will then transfer the amount according to the arbitration or court's decision.

There are no fees for using our trusted third party service. No interest is paid on the deposited amount.

How can I become a Franchisee of Freelance-Market?

To expand beyond our current operations, we are constantly looking for motivated, market driven entrepreneurs to operate Freelance-Market as our franchisees. This way, we are currently operating freelance-market in Germany, Australia, the Czech Republic and New Zealand.

Please go to www.freelance-market.com to find-out how you can become a franchisee in your country or industry segment.

QUESTIONS FOR CONTRACTORS

Registration

What benefits do contractors enjoy with Freelance-Market?

By registering with Freelance-Market you are empowered to enter into a direct contract with the client without the need of an expensive recruitment agent to broker the introduction. Our client's will come to you by requesting an introduction. The introduction fees are equal to twice the contractor's rate and on average amount to approximately 1.0% of the total revenue generated by the contractor. This is a significant saving when compared to the 10-40% fees charged by agencies. The average contractor:

- Receives 6 introductions to new client per year.
- Of those introductions, 37% lead to an assignment.
- 30% of all assignments leading to follow-up orders.
- The average project duration is 50 person days.

(Calculation based on our regular user survey. Data varies depending on specialisation, experience and reliability of the contractor.)

Contractor profile

How can I view, update, pause or delete my Freelance-Market profile?

- Under www.registration.freelance-market.com.au you can log in with your contractor number and password. You will then be able to review your profile including all of your previous introductions and update your information data. If you forgot your password, you can request a new one there.
- Alternatively, you can send us an email to info@freelance-market.com.au . We will then send you an email containing your profile data. You can then send us an email containing your update requests.
- To see how your public contractor profile appears, simply enter your contractor number in the section named "Find a contractor" (top left of the web page).
- If you wish to deactivate your contractor profile, please send to us an email with the request for deactivation. We then will immediately remove your profile from our listing. N. B.: In many cases it might be better for you to pause your profile. If you decide to de-pause your profile after some time you can do so free of charge.

Please keep us informed of your availability, changed skills and changes of your contact information (important). If you are working and temporarily unavailable then simply "pause" your entry until you`re ready to start looking for your next contract or assignment. The update, suspension or deactivation of your profile is free of charge.

What should I do, if I am temporarily unavailable?

It is expected that you will not be available from time to time. To ensure that you do not get billed unnecessarily and we don't disappoint our client, it is important that you ask us to pause your profile. This is easily done by sending a brief email to info@freelance-market.com.au. On receipt, we will 'pause' your profile until such time as you are ready to find your next contract.

How can I ensure I only get introductions which are relevant to my profile?

Under the heading 'Miscellaneous' in your profile you have the opportunity to make statements concerning the kind of projects that you would undertake. By using this facility, you can ensure that clients have a clear idea of your constraints and the areas of work your interested in. Some examples of statements under 'Miscellaneous' might be: 'Only projects of at least 3 months duration', 'Up to 20 hours a week only' or 'Will only work in CBD or North Sydney area'.

Can one contractor be listed in several categories?

It is recommended that the contractor registers according to their main skill. That is if you are a J2EE developer then register as such. If however you also want to register as a database administrator, then we recommend that you register a second time. The contractor can register several times, if completely different services are offered (e.g. programming and graphic design).

Why must all contractor profiles be completed with hourly rates?

The contractor is required to clearly state the fixed hourly rate they expect for their services. This approach ensures automatic acceptance of the rate by the client removing the necessity for time consuming price negotiations. The transparent nature of Freelance-Market ensures competitive pricing whilst providing the client with an easy mechanism of comparing contractor rates.

Should I put my picture on my profile?

It's your choice whether you submit a picture for display on your profile. It is our view that a picture improves your chances of an introduction as the client has a better first impression of you.

When you register as a contractor you will be asked if you wish to upload your picture. Contractors who are already registered can send us their picture by email and we will update their profile on their behalf.

Introduction

Which contractors receive most introductions?

An average contractor receives 6 introductions per year. Contractors who take the time to ensure a clear and accurate profile and who have priced themselves aggressively in the market however, can receive an introduction a week.

What can contractors do to improve their introduction rate?

The average Freelance-Market contractor receives approximately six introductions per year. The introduction frequency depends on various factors such as qualification, expressiveness and clarity of the profile, hourly rate and the services offered. While some contractors are introduced once a week, there are others who are requested less than once a year.

To get the right number of relevant introductions for you, we have the following 7 tips:

1st Improve the distinctiveness of your contractor profile. Please look closely at your profile and compare it with the profiles of other contractors in your area:

- Emphasise your specific skills and experiences.
- Distinguish yourself from the offerings of other contractors.
- Don't use acronyms and terminology that is only understood by experts - many clients are from outside the industry.
- State your capabilities in a clear and neutral way, avoid phrases that are unclear and sound like selling propositions.

2nd Be more specific if you want to receive fewer introductions. Present your skills more broadly to be introduced more often.

3rd Limit your profile in order to receive more relevant introductions. For example, "Miscellaneous: Only projects that exceed 20 hours". Expand your profile (for example, your work locations) to be introduced more often.

4th If you have several different skills, you can register with a second profile in Freelance-Market, for example, as translator and as financial expert.

5th Increase or reduce your hourly rate. A reduction of 20% typically results in twice as many requests.

6th If you are currently not available for work, it is important that you temporarily 'pause' your profile.

7th You can write an article for the monthly Freelance-Market newsletter to promote your special service.

All profile changes are of course free of charge. Just send an email to info@freelance-market.com.au.

Are all client introductions genuine?

Despite our best efforts to filter our clients' requests, we cannot always prevent unprofessional clients from using Freelance-Market. Should you experience an introduction to an unprofessional client, we ask you to inform us. According to our latest survey, 87% of our contractors were satisfied with the introductions they received. Only through your feedback are we able to monitor the calibre of our requesting clients.

How does Freelance-Market find contracts for the registered freelancers?

Freelance Market puts a large amount of effort into finding potential clients for our freelancers. By the following measures, we manage to attract several thousand interested visitors a day to our Internet marketplace:

- Cooperation agreements with industry associations and professional organisations.
- PR towards the business press and trade journals.
- Communication in Internet portals and web communities, such as Facebook and Wikipedia.
- Direct communication with decision makers in HR and procurement departments.
- Advertising in print media and on the Internet, such as Chamber of Commerce Magazine, Google and Yahoo.
- Listings in Internet search engines (many top positions in Google).
- Monthly Freelance-Market-Newsletter (over ten thousand subscribers).
- Links from several thousand other portals and web pages.
- Presence at trade fairs and conferences.
- Care and support for our customers (a large portion of our new customers come from personal recommendations).

Fees

Why does Freelance-Market charge contractors a flat-rate introduction fee instead of sales commissions?

A flat-rate introduction fee is far cheaper for the contractor. The fee charged by Freelance-Market represents less than 1% of the total income generated from the introduction. This is much less than the 10-40% ongoing sales commission charged by the agent for the entire duration of the project (including extensions).

The flat-rate fee per introduction approach has some clear advantages:

- There is no need for ongoing reporting in order to calculate this month's invoice.
- The contractor's sales expenses in finding the next contract remain low. According to our user surveys, 37% of all introductions lead to an assignment (i.e. on average, an investment of approximately 5 hourly rates is required per new customer).
- The relationship with the client is yours to develop (priceless) with no further charges for any subsequent assignments resulting from the relationship (new regular customer).
- Accurate & realistic contractor profiles. As the contractor pays the introduction fee, they are motivated to ensure that the information provided in the profile is accurate and realistic. Profiles that are overstated or inaccurate would result in the contractor paying unnecessary introduction fees.

Why do contractors have to pay for introductions that do not result in work?

The fee charged by Freelance-Market is for the provision of a qualified introduction to a client who is looking for a contractor with your skills. It is up to you, the contractor, to make the most of that introduction. The most successful contractors have been able to clearly articulate what they do best in their profile and have offered their services at a competitive and realistic rate.

Historic analysis has found that, on average, 37% of all the introductions result in active assignments. This approach offers the contractor a much higher level of success than other acquisition approaches such as going through agencies, direct tenders or self-acquisition. Nevertheless, 63% of all introductions do not result in an assignment. Our research however indicates, on average, a contractor requires 2.7 introductions to secure a new assignment. This means, on average, a contractor will be pay fees equal to 5 times their hourly rates in order to secure their next assignment.

The introduction of professional contractors to clients has proven to be a very efficient approach which:

- Offers professional contractors an effective marketing medium that directly helps the contractor find work.
- The client and contractor form a direct relationship and therefore do not have to constantly keep us informed.
- There is no incentive to be dishonest or to conceal projects.
- The contractor with a clear and realistic profile, as well as a competitive hourly rate, is rewarded as they have a higher conversion rate from introduction to assignment. As a consequence, they proportionately pay over overall fees per assignment.
- The introduction fee is only twice the hourly rate, which on average, is equal to only 1 % of the total revenue generated from the assignment. This is far more cost effective than comparable commission based fee schemes.

What is happening if I am introduced to a client that has no intention to proceed?

Freelance-Market makes a serious effort to ensure all introductions are to genuine clients only and review each request for legitimacy and relevance. We also limit our introductions to no more than one contractor per project thereby ensuring that the client selects the most appropriate candidates for the task. If however, you are introduced to a client without a real project need then you will not be required to pay the introduction fee.

A non-genuine request might consist of one of the following situations:

1st Despite several attempts the client could not be reached.

2nd The client requested an introduction even though there was no real need or intent to appoint a contractor at that time.

3rd The client is not an "end customer" but a project broker.

4th The requirements of the client differ significantly from your Freelance-Market profile.

If one of those circumstances exists, you must inform us within 14 days. The introduction fee will then be cancelled, and we might bar the client from further activity via Freelance-Market.