



**StartUp**  
Academy

# Getting Started Guide: Working at Home as an Independent Contractor

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## 2 THE DIFFERENCE BETWEEN AN INDEPENDENT CONTRACTOR AND AN EMPLOYEE

There are many factors that determine whether someone is working as an employee or as an independent contractor. Yet no one factor makes the distinction in any or all cases.

The following table, showing potential differences between an employee and an independent contractor, was obtained from the Fair Work Ombudsman website (<http://www.fairwork.gov.au/about-us/policies-and-guides/fact-sheets/rights-and-obligations/contractors-and-employees-whats-the-difference>):

Indicator	Employee	Independent Contractor
Degree of control over how work is performed	Performs work, under the direction and control of their employer, on an ongoing basis.	Has a high level of control in how the work is done.
Hours of work	Generally works standard or set hours (note: a casual employee's hours may vary from week to week).	Under agreement, decides what hours to work to complete the specific task.
Expectation of work	Usually has an ongoing expectation of work (note: some employees may be engaged for a specific task or specific period).	Usually engaged for a specific task.
Risk	Bears no financial risk (this is the responsibility of their employer).	Bears the risk for making a profit or loss on each task. Usually bears responsibility and liability for poor work or injury sustained while performing the task. As such, contractors generally have their own insurance policy.
Superannuation	Entitled to have superannuation contributions paid into a nominated superannuation fund by their employer.	Pays their own superannuation (note: in some circumstances independent contractors may be entitled to be paid superannuation contributions).
Tools and equipment	Tools and equipment are generally provided by the employer, or a tool allowance is provided.	Uses their own tools and equipment (note: alternative arrangements may be made within a contract for services).
Tax	Has income tax deducted by their employer.	Pays their own tax and GST to the Australian Taxation Office.
Method of	Paid regularly (for example,	Has obtained an ABN and submits an

Indicator	Employee	Independent Contractor
payment	weekly/fortnightly/monthly).	invoice for work completed or is paid at the end of the contract or project.
Leave	Entitled to receive paid leave (for example, annual leave, personal/carers' leave, long service leave) or receive a loading in lieu of leave entitlements in the case of casual employees.	Does not receive paid leave.

### 3 GETTING STARTED

Often the beginning stages of any business are the most challenging. This is no different in the case of working as an independent contractor. There are many things to consider and systems to put into place before business can even begin.

Getting started as an independent contractor will involve setting yourself up as a business, with all the implications that come with it. This will include:

- Setting up a business entity
- Deciding on business legal type
- Applying for a Tax File Number (TFN) (if not already obtained) or an Australian Business Number (ABN)
- Registering your business name (if different from your name)
- Setting up your business checking account
- Setting up your business record keeping system

Practical and up-to-date information relating to the points above can be found on the Australian Government Business website (<http://www.business.gov.au/business-topics/Pages/default.aspx>).

## 4 FINDING CLIENTS AND CUSTOMERS

### 4.1 STANDING OUT FROM THE CROWD

These days, your skills and what you're passionate about are important. You have to find a professional niche for the skills and services you can provide to clients and customers.

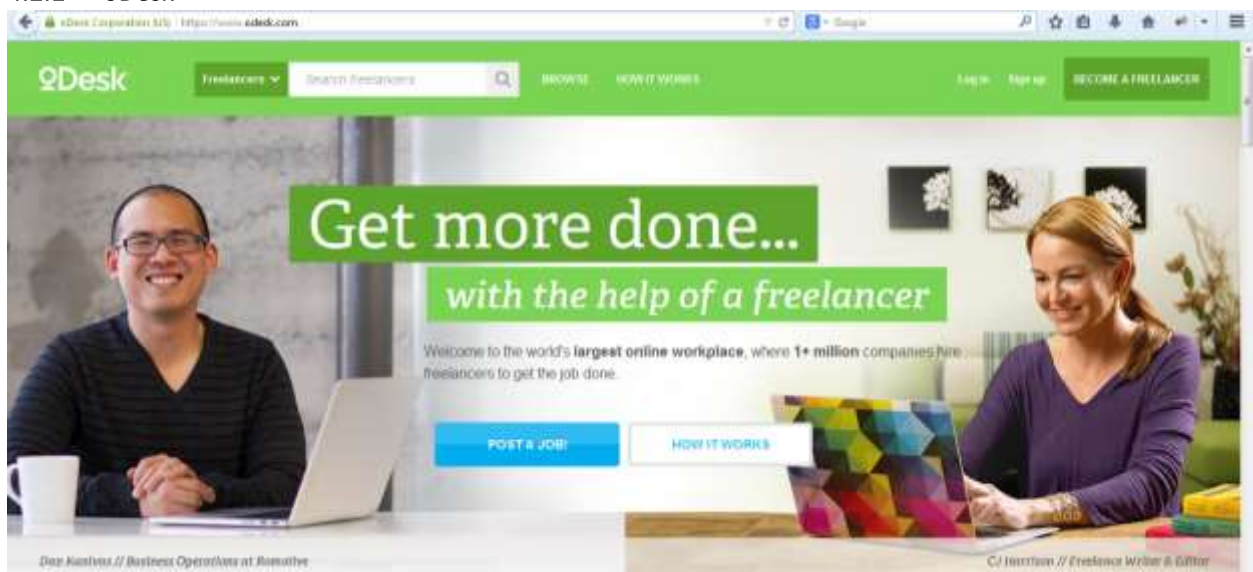
Being adequately qualified is one of the best ways to ensure that your clients are getting what they expect and want. Spending some time obtaining necessary qualifications and getting experience within the particular field in which you want to work, as with any career, helps to make your services more appealing to your potential clients and customers.

There are several ways to ensure that potential clients and customers know exactly what you can offer them to make their businesses better in some way.

### 4.2 MARKETING YOURSELF ONLINE

Another way to put your professional services out there is through the use of online work platforms, such as oDesk, and professional networking sites, such as LinkedIn. oDesk and LinkedIn are great ways of advertising yourself and the work that you do, as well as connecting with other professionals, which will help you to build your professional network and ultimately help you get more clients and customers. The advantage of these two sites is that you can set up a free account and start using it straight away.

#### 4.2.1 oDesk



At this site you can create a profile, list information about your skills and the type of work you do (or want to do) – remember that most business owners are looking for someone to do specific tasks (like graphic design, website design, working with spreadsheets, creating presentations, doing telemarketing etc). The great thing about oDesk is that payments are automatic and they have screen capture which employers love because it takes random screen shots to ensure you are doing the work expected of you – employers like the security of that.

#### 4.2.2 LinkedIn

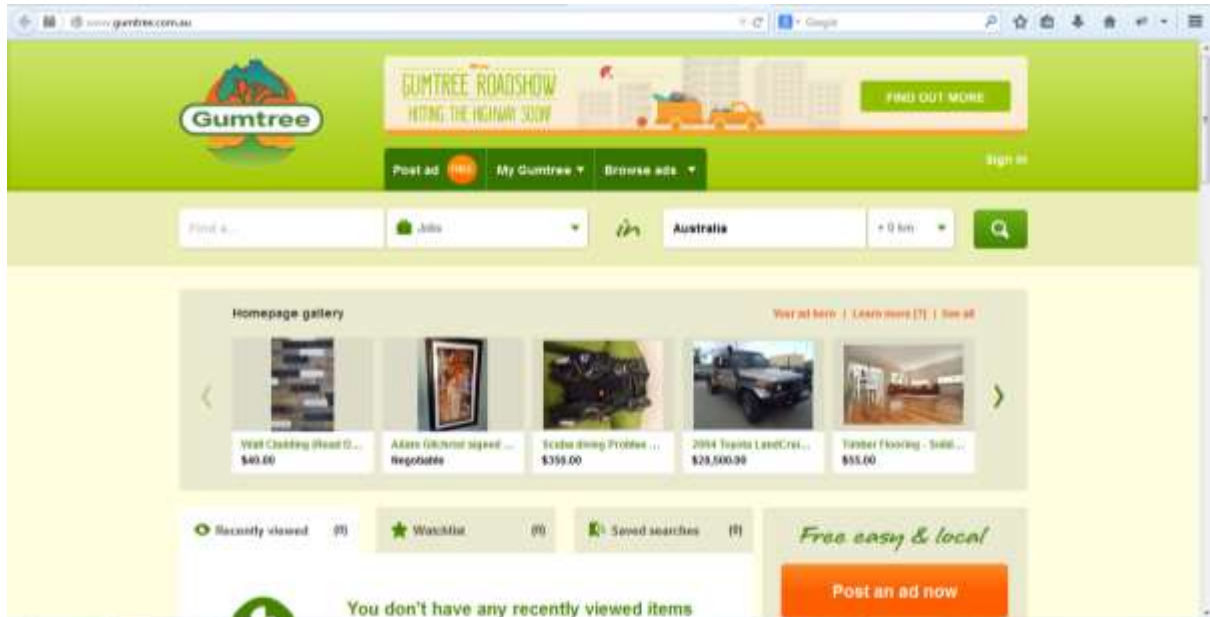
LinkedIn is the social network for professionals. It often replaces a CV as a great source of information about your skills and experience that can include testimonials from your connections. If you participate in your community of connections you can also become known as an expert in your field. You can connect with almost anyone and therefore broaden the people who you could potentially work for or with.

#### 4.2.3 Facebook

The world's largest social network is focused around sharing with friends, but more and more small businesses participate in this site and connect with their "friends". Many experts predict that social recommendations will become the buying driver of the future – after all, many people consider their friends and family's opinions before they make a buying decision.

Facebook is another way to make your services and skills visible. With over 1.23 billion active monthly users, Facebook is one of the largest platforms to advertise yourself for free. Signing up for an account is quick and easy, and maintaining your page and account takes little effort.

#### 4.2.4 Gumtree



Gumtree is a classifieds directory and is another way to find clients and make sure potential clients and customers have access to your professional services information and contact details. This is another free site that allows for advertisements to be placed and because it is free it has a very large audience and a specific section for job ads.

### 4.3 NETWORKING



Networking is a magical way to get new business but most people don't understand how it works.

If you've been to a networking event and had someone try to sell you insurance or business coaching, you'd no doubt understand.

Networking is simply a way to meet people – what you need to do is learn how to help people get to know you, like you and trust you because then they'll want to do business with you.

## 5 DOING YOUR WORK

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### 5.1 PROFESSIONAL SERVICES AGREEMENTS

A Professional Service Agreement (PSA) is a document usually written by a contractor when performing work for a client or customer, which shows an agreement to provide professional service. This document is signed by both parties and is not effective until this is done so.

As a contractor, when creating your Professional Service Agreement, the document, as a minimum, should include:

- Scope of work – the services you will be providing or work that you will be doing for the client
- Fees/Financial obligations – how much you will charge for the work that you are performing and how you will be paid
- Terms

However, many Professional Service Agreements are more detailed and can include such sections as:

- Non-Exclusivity
- Contract Period
- Contractor Warranties
- Right to Terminate

When you participate in one of our [Small Business Opportunities](#) we provide you with a PSA that you can use with your own customers and customize it if you need to from time to time.

### 5.2 MEASURING THE WORK YOU DO

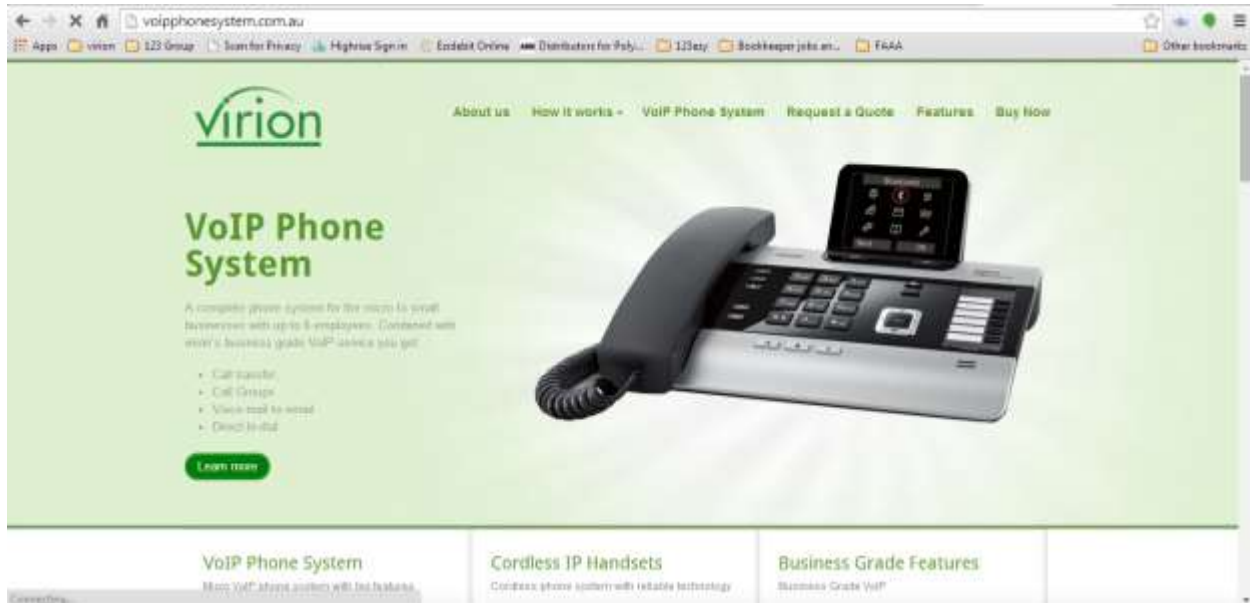
If you are working onsite, quantifying the work that you do can be done easily enough as clients will be able to see what you are doing on the site itself, and also by seeing the final product. However, this is different when working away from the office or worksite. Using online software to measure the amount of work you do when working from home or elsewhere builds your customer's trust and show them exactly how their money is being spent.

Some technologies that will allow for this to happen include:

- VoIP Telephony
- ZenDesk
- Hubstaff
- Screenshot Monitor



## 5.2.1 VoIP Telephony

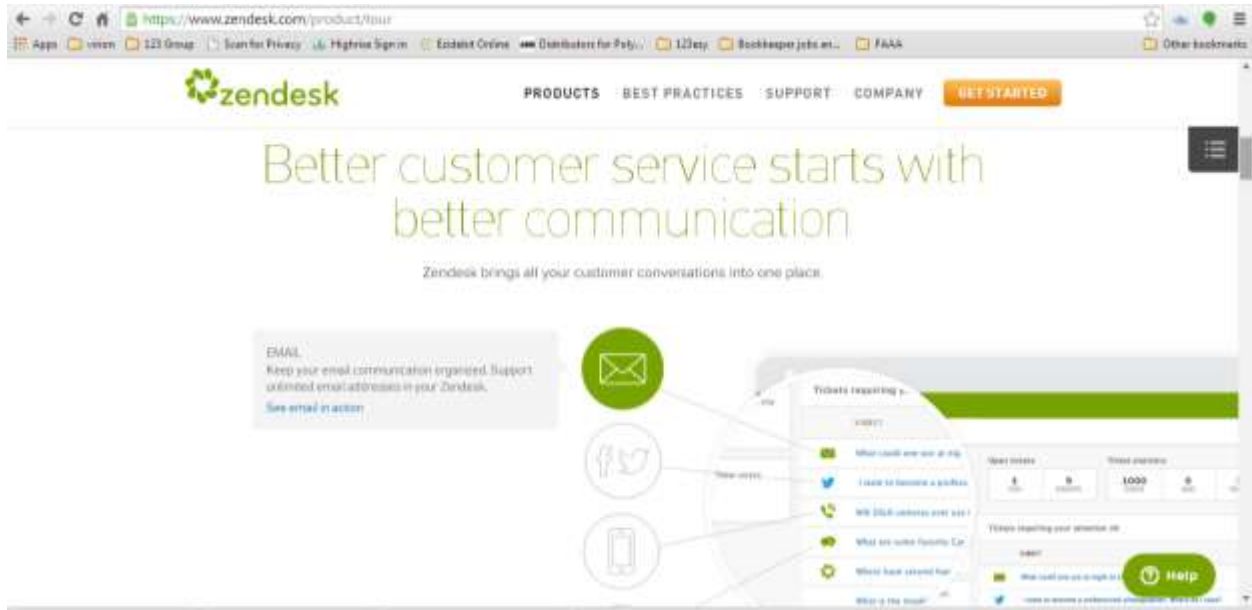


If you are performing telesales or telephone support services, VoIP technology allows your customer to see the calls that you make whilst working. Obviously, if you are making calls that have nothing to do with the work that you are performing, this is going to gain distrust from your client and may lead to a termination of the professional relationship.

Most importantly, VoIP is Internet based technology so you can use a VoIP telephone service from anywhere you have an internet connection. You can get an IP based phone system that can easily be configured for a VoIP Service or you can download a softphone and make and receive calls using your computer.

VoIP Service Provider: <http://www.virion.com.au/>

## 5.2.2 ZenDesk Online Support

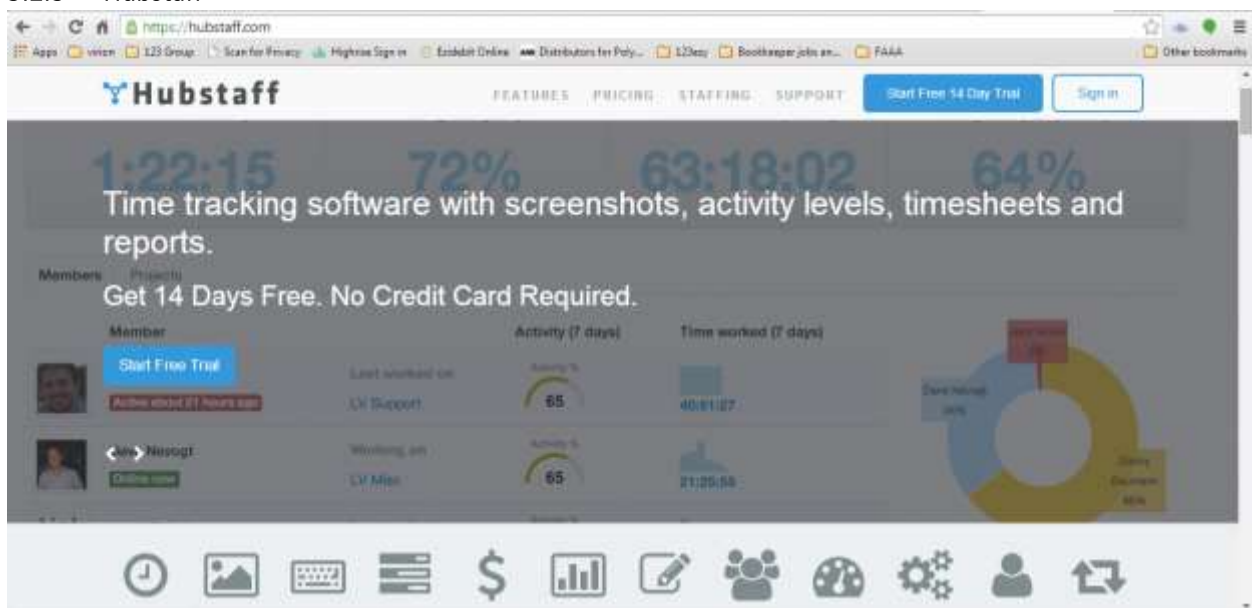


If you are looking at becoming a remote worker (also called virtual assistant) ZenDesk is a good software system to get to know. It enables small businesses to communicate with their customers via support tickets that are managed by agents – you. All agents who are part of a ticket group will be able to help a customer with their requests and the system automatically sends emails to the customer with information that you type.

The great thing about software like ZenDesk is that multiple agents can see the one issue and help to solve it – while the issue is not solved it stays in the support ticket list until closed by an agent.

This software is a great tool to know and will enable you to simply walk into some roles.

## 5.2.3 Hubstaff



This guide is aimed at giving your some knowledge about how to work at home as an independent contractor but we wanted to include some information to shows you what is out there and available for small business owners who want to hire remote workers.

Hubstaff is a time tracking software that allows clients to see the work that you have been performing with screenshots and activity levels. Hubstaff also includes online/offline indications and idle time monitors. By being able to show your exact level of activity whilst working, you can build your client's trust and build a good reputation. This software is available for a 14 day free trial, after which a small monthly fee will be required per person.

Hubstaff: <https://hubstaff.com/>

### 5.3 HAVING A GOOD REPUTATION

**Biljana Bojevska**  
Expert graphic designer- Master of visual identity and Branding

I'm very creative and highly educated professional with a Master of Arts in Graphic Design. I have 7 years experience in graphic design and marketing. I have worked for top famous brands like T-Mobile, Telekom, Porsche Macedonia, Heineken and ... [more](#)

visualization pre-press image-editing logo-design brand-consulting [5 more](#)

**\$17.78** HOURLY RATE | **5.0** ★★★★★ | **485** HOURS | 📍 MACEDONIA | LAST ACTIVE AUG 14, 2014 | **11** PORTFOLIO ITEMS | **2** TESTS

This image is a contractor listing at oDesk. It shows some very valuable information at a glance, including:

- The woman's expected pay rate
- Rating
- How much work she has performed at the site
- Specialist skills
- Location, and more.

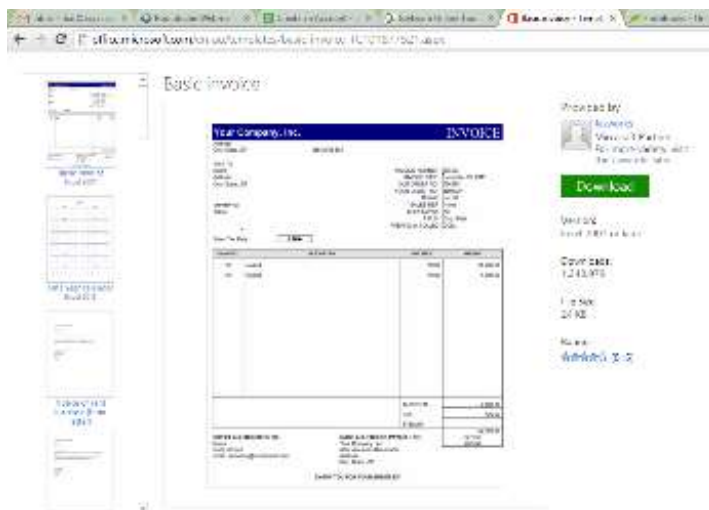
Because social websites are becoming so popular and information is now freely available, your reputation is what will make you stand out from the crowd and your competitors. Remember that this is what people see if they are looking for your services. What you do after you start working for someone can change and increase in scope – you just need, firstly, to be discovered.

## 6 GETTING PAID

When you work as an independent contractor you need to take more ownership in the getting paid department. Having a [Professional Services Agreement](#) is a great way to start because there is written evidence of the conditions YOU set for the work you do, but more importantly an acceptance from your customer – the person you work for. You will need to send an invoice for the work you do and make sure that it is paid in time (according to your own requirements). You'll also most likely need to have a timesheet that shows which work you completed each hour (or part thereof).

Invoices can be created manually on Microsoft Word or a similar application, or they can be created using software, such as Freshbooks which is a great tool for individual contractors. Software like MYOB, Xero, SAASU and Quickbooks are great, but they often cost more than you need to pay when you are starting out. A new entrant into the invoicing market is PayPal.

### 6.1 INVOICING USING OFFICE PRODUCTIVITY SOFTWARE



Invoice templates for Microsoft Word and Excel can be found online, with some being free and others costing you a small one-off fee. The use of templates is popular because of its convenience – the layout is provided, all you have to do is enter the data.

A basic invoice template for Microsoft Word is available for free download here: <http://office.microsoft.com/en-au/templates/basic-invoice-TC101877521.aspx>.

## 6.2 SOFTWARE – FRESHBOOKS



The convenience of using software, such as Freshbooks, to create and maintain invoices is that it can be accessed from anywhere you can access the Internet (because it is cloud-based accounting software). These programs are also designed for invoicing so they contain many of the features you want when invoicing a client – like automatic followup emails when invoices haven't been paid by the due date. However, the drawback to this is that costs money to register and maintain an account. Freshbooks offers a free 30-day trial for the software that can be found at:

<http://www.freshbooks.com/>.

## 6.3 PAYPAL



PayPal has always been a cheap way to set yourself up with merchant services (in other words, to accept payment by credit card). This is important because you can receive your payments quickly and remotely without having to be near or in front of the customer. This software currently has NO monthly fees and can all be

setup online via their website and recently started offering some basic bookkeeping services – like invoicing!

If you have a PayPal account for your business you can now use PayPal to generate invoices as well as receive payments. The advantage in utilizing PayPal for invoicing is that this is a trusted company that has been handling money from billions of users worldwide and clients may see this as a more convenient way to pay you.

More information can be found at: <https://www.paypal.com/au/webapps/mpp/merchant>.

## 7 WHAT ARE YOUR BUSINESS OPTIONS?

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### 7.1 BUY A FRANCHISE?

Many people buy a franchise when they start out in business for the first time because there is a safety net which comes in the form of education and training, established systems, existing marketing and often a well-known brand.

The issue with buying a franchise is that you'll end up paying a percentage of your ongoing earnings to the franchisor every month AND you may need to sell to someone who wants to be part of the franchise network. This means you'll lose some of your monthly income to franchise fees and you could limit the number of people who want to buy your business because they need to buy into the franchise.

### 7.2 BUY A LICENSE?

A license is an enabler – it enables you to do something. For example if you get your driver's license it demonstrates you've passed the tests to enable you to drive a car. Buy a taxi license and you'll be able to buy a taxi and use that taxi to generate money by driving people to where they want to go. Many business opportunities exist as a license where you can buy into an opportunity to use a brand name, take advantage of a company's marketing or use their products or services to help you earn more money.

We work with a number of companies that provide this type of opportunity. As a training organisation we combine business management training, with personal support on a day to day basis and a license to work with one of our partner companies and their brands and products.

### 7.3 GO IT ALONE

People with a particular skill, qualification or expertise will often start a business based on this. They often do extremely well acting as the technician and applying their skill or qualifications. However, where they often fall short is in the areas of business management, administration, accounting and so forth. These tasks take valuable time and energy away from actually doing the work – and they are usually not nearly as enjoyable. Yet they are vital components of running a business, and when they fall behind, or consistent systems are not put in place, the business suffers; and may even fall apart.

## 8 OUR BUSINESS OPPORTUNITIES

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We work closely with numerous businesses and currently have the following opportunities available:

### 8.1 BOOKKEEPING

Bookkeeping is something every business must do. The ATO (Australian Taxation Office) requires it, and it is the foundation of a business's success or failure. Daily transactions are recorded in accounting software like MYOB, Xero, QuickBooks etc. At the end of each month this information is reconciled to match the bank statement and from this information reports are generated to measure the business's financial heartbeat. This information can technically be performed by anyone, but it's usually done by someone who understands the business and understands basic bookkeeping.



Depending on the size of the business this information needs to be lodged monthly or quarterly in the form of a BAS (Business Activity Statement) and at the end of each financial year (Annual Tax Return). These tasks need to be performed by people who are registered with the Tax Practitioners Board (TPB) and to do that there are several steps which they need to have completed.

The perfect start to building your own business in bookkeeping is to embark upon a MYOB course. Gradually, you can improve your skills and experience. We work together with an established online provider and can assist in marketing and spreading the word about your online business. [Register your interest at our website.](#)

### 8.2 WORK, HEALTH AND SAFETY

Just like bookkeeping work, health and safety is a legal requirement for anyone who manages a business, even if it's a not-for-profit organisation. Business managers can now be personally liable, and have responsibility over, the safety of every person who comes to work at their site, EVEN if that person is employed by a contractor that provides services to that site.



Business managers need to demonstrate that they educate everyone who comes onto a site about the risks associated with that site and where risks are. They also need to manage the process that contractors go through when they perform any high-risk work, like working at heights, in confined spaces, with gases etc.

We work with a company that has developed software to help sites like hospitals, councils, office towers, schools, shopping centres, and many more, manage the compliance of suppliers who come to their sites.

As a Safety and Quality Consultant you can be paid to perform certain tasks for the company, but more importantly with a vocational qualification in WH&S you'll be able to perform safety audits that identify risks at a site and then help these sites with their guidelines, procedures, training and

more to ensure that they are doing what they are required to do by law. [Register your interest at our website.](#)

### 8.3 WEBSITE DESIGN AND INTERNET MARKETING

A website is an important tool for every business these days because it is the source of information about that business, including fundamental information like opening hours, location and contact details. It's also an important tool to help channel prospects onto landing pages that link out to more in-depth information.



WordPress is a great software tool that makes it easy to create a website and maintain a blog at that website. Online marketing using social media like Facebook, LinkedIn and Twitter is important, but most businesses and consultants want to be found on Google, Google Places, Google Adwords and Google Plus.

If you are interested in this type of work you'll need to be a reasonably good writer and be able to come up with the written content that is used in these online places.

[Register your interest at our website.](#)

### 8.4 VIRTUAL (REMOTE) ASSISTANT

A Remote Assistant is sometimes called a 'Virtual Assistant' because you don't see them.

However, we think Remote Assistant or Remote

Contractor is a more apt term. Remote Assistants are usually parents who want to work from home during school hours, but they can also be people living in remote locations or people who simply prefer to spend their time working rather than travelling to and from work. Virtual and Remote Assistants can perform office admin type tasks, including working with complex documents or spreadsheets, making calls and setting appointments, or any other number of tasks which can now easily be performed remotely rather than from an office.



[Register your interest at our website.](#)



## 9 WHAT DO I DO NOW?

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All of our business opportunities start with a Small Business Management Course that provides you with the training necessary to operate your own business. This course will give you a deeper understanding about the various aspects of managing a business including:

- Legal
- Goal Setting
- Marketing
- Sales
- Accounting
- Customer Service and more...

We combine this course with training in your chosen sector, hands on tools and activities and most importantly you get to speak with experienced and successful business people and entrepreneurs. You'll also benefit from the existing office, sales and marketing support of our friendly and highly experienced team.

[Register your interest](#) at our website and we'll contact you with more detailed information and pricing.