



# How to Get Started as an Independent Consultant

By Jerry Grohovsky

Copyright 2008. JPG & Associates, Inc.

Here is an employment scenario for you: You have been employed with a company for the past 5 years as a technical communicator, and suddenly given notice that there is a lay-off...and you are on the list. You are now faced with the options of seeking other fulltime direct positions, or you can consider a new path: going out on your own as an independent consultant. For those who have never done the latter, the first question that may come to mind is: What do I need to know to get set up as an independent consultant so that I am prepared to run my technical communications consulting business?

## To get started, here are some recommended steps:

1. Legally establish your consulting business with the state. Select a business name, do a name search, and register with the state as a corporation or limited liability company (LLC) classification to secure a charter number. Note: If you establish a sole proprietorship, you do *not* need to obtain a charter number; however, the tax advantages may be less favorable than if you establish yourself as a corp. or LLC status (consult with your accountant). You can do all this in person at the Minnesota state offices, or you can do so on-line at the Minnesota Secretary of State web site at: ([www.commerce.state.mn.us](http://www.commerce.state.mn.us)).
2. Obtain a Federal tax ID number if you register as a corporation or LLC. You can do so through your accountant, or you can apply for one online at: ([www.irs.gov/businesses/small](http://www.irs.gov/businesses/small)). Note: If you are a sole proprietorship, you do *not* need a federal tax ID number. Instead, you would use your social security number for tax identification for your business (i.e., W9).
3. Notify your accountant and set up your books. Get your accounting set up for periodic and regular tax withholdings. Set up your books for income and expenses. QuickBooks® is a popular software tool.
4. Set up a bank checking account in your business name.
5. Purchase basic worker's compensation insurance. If you plan on either visiting client sites, or working for long durations at a client company site, it is *recommended* that you purchase basic worker's compensation insurance. Some agencies or client companies may require you to present a certificate of insurance for worker's compensation before you start a project. *Source: Your personal insurance agent is the best place to start for guidance on obtaining and filling out the State of Minnesota application.*
6. Create invoices. Establish informative invoices, with the registered name of your consulting business. Use these when billing any company or agency for which you are currently providing services. If you have a Federal tax ID number, be sure to enter it on the invoices.
7. Business cards, letterhead. These are good to have when marketing yourself direct or through an agency.
8. Keep good records and files. A small file cabinet helps to organize.
9. Put together a portfolio. This may include printed material, as well as digital samples on CD or laptop.
10. Update your resume. A functional approach may be more effective; include any on-line sites if available.
11. If you plan on doing consulting from your home, select an effective working space for your home office. Ideally, a separate room with ample desk space for computer and work surface, that is located away from domestic distractions. Here is a checklist for your home office setup:
  - Major brand of computer (i.e., Dell®, HP®) with "room to grow" clock speed, memory, and storage.
  - Color monitor 19-inch minimum recommended (easier for viewing and page layout).
  - Commonly used software programs for desktop publishing, page layout, graphic creation, and portable file creation (for starters: Microsoft® Office®, Adobe® FrameMaker®, Adobe® Illustrator®, Adobe® Photoshop®, Adobe® Acrobat®).
  - Quality printer with above average pages-per-minute of speed. B/W laser would be first choice over color ink-jet, as most technical communications projects only require B/W.
  - Fax machine (some combos of fax/copier are common and affordable); copier is nice to have.
  - High-speed internet service, with e-mail account.
  - Establish a separate business phone number (cell phone ok), with voice mail (avoid answering machines).
  - Cell phone is not just a luxury anymore; it is necessity for being accessible and responsive during business hours.

With these steps, you will be well prepared to enter the marketplace as an independent consultant!