Q

Have you ever had problems collecting payment from a client? How do you effectively handle this situation?

A

I’ve only had a problem getting paid once in 20 years, but I’ve heard lots of horror stories about this from other freelances. The first step is to find out whether (1) it is just a mistake, (2) the client has a long bill payment cycle, or (3) the client is deliberately trying to stall or avoid payment. If your client contact forgot to submit the invoice or accounts payable forgot to process it, then wait patiently for the payment. If the payment is large and you really need it, ask your contact to expedite it.

Some clients have a long bill payment cycle. Nearly all of my hospital clients, for example, pay at 60 days instead of 30. This is fine with me, and I don’t consider this a problem getting paid.

But clients who are deliberately trying to stall payment or not pay freelances are a real problem. The one time a client didn’t want to pay me, I had a lawyer write a letter threatening legal action if the client didn’t pay up. My check arrived a few days later.

If the threat of legal action doesn’t work, actually hiring a lawyer to collect your payment may not be worth it. It could cost you more than you’ll get from the client, and there’s no guarantee that the client will pay you. Your best option may be to take the loss.

—Lori De Milto

Despite my 25+ years in the business, problems collecting have been extremely rare. Using two examples—the most innocuous and the most pernicious—I have described the situations below; how I was naive and/or made a mistake; how payment was resolved; and what I did differently after that to ensure to the best of my ability that the situations did not happen again.

Example #1: In my second year of business, an ad agency owed me $750 for a small project. Payment was due upon receipt of invoice or within 30 days. I had known the agency’s president through my tenure as a full-time employee for pharma/biotech, so I trusted the client without a written contract. In fact, our prior relationship is why I was given the project in the first place. I let 30 days go by and then called the client to inquire about payment of my invoice; the accounting person said they had a glitch in their bookkeeping program and were late, but that I would receive the check very soon. I did not ask “how soon” but I did re-invoice to make sure no one could say they did not have the invoice. Another month went by without payment. I re-invoiced and called again; after that I called every week. Sometimes I faxed another copy of the invoice. Each time I was told “soon” and that they had a problem with bookkeeping. Finally, after 3.5 months, I received my check (no late fee was included).

My Error: I should or could have
• had a written contract (even though in this case it may not have helped).
• emphasized a 10% late fee in that contract (something that often “triggers” accounts payable).
• called the president the day after the invoice was overdue (in this case I believe I would have received payment promptly).
• requested an advance before starting.

Resolution: Payment was received after 3.5 months of persistent dunning by phone and fax.

Future Protection: Later I ran into the agency’s president at an event and told him how sorry I was to know that his agency was doing so poorly that it could not pay its bills. He was shocked; when I told him my experience, he apologized and promised that it would never happen again and that, if it did, I should call him directly. I thanked him and said that I likely would request a 50% advance on future projects. The client called again, but I was quite busy with other paying clients, so I declined the offer.
Example #2: Approximately 15 years into my business, a pharma client owed me $26,000.00 and refused to pay, first lying and later claiming lack of funds. Determined, I spent weeks and weeks of re-invoicing, emailing, faxing, telephoning, and paper mail. (Note that $2,000.00 comprised a late fee, while $12,000.00 was a kill fee I had written into the contract for early termination of the project.)

My Error: A physician colleague for whom I had worked quite a bit had referred me to this client. Even so, I should never have continued working after the first $12,000.00 was unpaid. Moreover, I should not have continued working beyond $5,000.00 (ie, I should have billed at $5,000.00 and put in no more hours until that was paid).

Resolution: It took about 6 to 7 months of dogged follow-up, but I finally received a check for $7,000.00. By then the company was in receivership with the surrogates trying to clear as much debt as possible, so they were happy to negotiate with me. (Note that early on, the client’s CEO had cashed out several million dollars of stock and disappeared without shame. Several other vendors had tried desperately to collect; not one received payment of any kind. I was the only consultant to get paid anything. (One colleague took them to court for $130,000.00 and got a judgment for that amount—but he never received a single dollar!) To what do I attribute my success? Even though I called constantly I was unfailingly polite and sympathetic, telling them how sorry I was that things had gone so badly, but that I was simply an individual freelance writer who had done this work in good faith. I was put off week after week but was nonetheless always courteous when I called/wrote/faxed/emailed. Finally, I was able to speak with a surrogate who was not only sympathetic but who also had authority; I told her that $12,000.00 of the $26,000.00 was a kill fee and that I would be willing to waive that debt and settle for 50% of the remaining $14,000.00 owed if they would pay me within 3 weeks. Because they were trying to settle at least some debts, she agreed, sent me a waiver to sign, and I received the check as promised. The other vendors were amazed that I received anything at all. Persistence does pay, as does courtesy. I could afford to be doggedly tenacious because I had plenty of other work. Once I found out about the other consultants not being paid either, I became quite calm about it and, in fact, almost made a game out of it: every week I made a call, sent an email, fax or letter—and some weeks all of the above. It became a matter of principle: I was determined to keep trying as long as they were in receivership and there was even the slightest chance of getting paid. I consider myself lucky to have gotten $7,000.00.

Future Prevention: Within a year the company was gone. I never looked back, obviously.

A few important lessons I learned from being burned:
• Always have a signed contract or agreement (even though that may not be sufficient, as you can see from Example #2 where I had an “ironclad contract”).
• Make sure you know the client is trustworthy before accepting the work, unless you have plenty of money to cover losses and are willing to take a risk for a fascinating project or potentially great client—or ask for an advance.
• Set a ceiling, ie, a maximum number of hours or dollars they can owe you before you cease working on the project until you are paid. I chose $5,000.00, which seemed reasonable. Determine your own ceiling based on your needs.
• For foreign clients, where there is no possible legal recourse for collecting on unpaid invoices, request an advance for the amount of your ceiling.
• Do not bill once a month; rather, bill every 2 weeks or even every week if necessary.
• Insist on a 30-day turnaround for all invoices. (Credit cards today have to be paid in less than 30 days; leases and rents are paid once a month; certainly, medical writers should be paid within 30 days of invoice.) If the client’s billing cycle is longer, then get the client to agree up front that you can bill before work is finished so that you still receive payment within your desired 30 days, and include a 10% late fee in your contract.
• Never agree to wait for payment by an agency or CRO “until their client pays them”—your contract is with the agency, not their client.

In 28 years, I am very fortunate to be able to count the number of collection problems I’ve had on 2 fingers. The best way to handle collection problems is to avoid them by working with good clients. But every good client is first a new client, and unless a new client comes to you pre-vetted, you’re taking a bit of a risk until they prove themselves.

At the start of every new client relationship is a teleconference, when we talk about the client’s needs and my capabilities. Whether the client brings it up or not, I also make a financial discussion part of the “getting to know you” call. In fact, I think they like it when I bring it up because most people don’t like to bring up the topic of money. It also lets them know from the very start that I’m a business and that I mean business. I tell them about project estimating: invoicing, including progress billing on larger projects and projects with longer timelines; and that all invoices are due net in 30 days. Payment terms also appear on all of my invoices.

—Cathryn D. Evans
This conversation with new clients is excellent because it establishes a baseline of understanding for both of us. For example, if a client reliably pays on a 45-day cycle but I don’t have that initial conversation with them, I wouldn’t know it and might begin to think they’re a problem client on Day 31. If I know in advance that a client’s payment practices differ from my payment terms, I can choose whether or not to work with them. It puts the control for our financial relationship in my hands.

Even with the best controls in place, some new clients are collection problems. They chew up and spit out freelances with every project because they have no intention of paying or no intention of paying on time, so no one in their right mind would ever work for them again.

I always follow up on projects after they’ve left my hands, which keeps the line of communication open even after invoicing. If there’s a problem with the project that the client hasn’t told me (whether or not it has to do with my work), this may enable me to find out so I can have an opportunity to address it or help the client address it. If there’s going to be a problem with our business relationship, this open line of communication can serve as an early warning system. For example, if the client is uncommunicative or, worse, avoids me, I will be sure to send an email a few days before payment is due on my invoice to make sure the client knows I’m on top of it. Then if I don’t receive payment on the day it’s due I can place a phone call to my contact the very next day.

I would only be this quick and intense about following up if I had reason to suspect the client is going to become a collection problem. Otherwise, to do so would send a signal either that I don’t trust the client or that I’m in dire financial straits, neither of which would be a good message to send to a new client.

Once I had a client who stopped responding to me after I sent my invoice for the first (and only) project. Shortly after delivery of the project my contact had informed me that he was pleased with my work and that I had delivered precisely and accurately on the assignment. But then he fell silent. About 1 week after payment was due I learned that my contact had left the company and that the person who took his place had decided to take the project in a different direction; a direction that included not paying me for my work, which he wasn’t using. I sent a stern letter via certified mail, return receipt requested, explaining that the turn of events had nothing to do with the quality of my work, that I had an email detailing satisfaction with my work, and that if payment wasn’t received by a specific date the next communication would come from my attorney. I copied my attorney on the email. I received a check on the date I had specified.

So, my recommendation for dealing with a collection problem is to do everything possible to avoid one. When a collection problem arises—which sooner or later it will—make sure you keep records of everything, especially client communications about your work, and take swift, stern action with specific consequences. Collection problems don’t get better the longer you wait. The faster you take action, the more likely the client will realize you really do mean business and hopefully choose not to mess with you.

—Brian Bass

Q What is your advice to new writers just starting out? What are some things you wish you knew when you started out?

A Treat freelancing like the business that it is, because you can’t succeed on talent alone. Be determined to succeed, and be prepared to work hard to build your business.

When I started out back in 1997, I wish I had known 2 key things: (1) more about medical writing, and (2) how to network strategically. If I had known more about medical writing, I wouldn’t have wasted time and effort marketing to some people who would never hire me, because they only use scientific medical writers, and I do medical marketing communications. As I learned more about freelance opportunities in medical writing, mostly through AMWA, I adjusted my marketing. So, take the time to figure out where you fit within medical writing in terms of your experience, education, and capabilities, so you can position yourself to attract the right clients. Joining AMWA within a few months of launching my business and volunteering right away helped me build strong relationships with a lot of people. But I didn’t network strategically. It took me years to realize that I needed to be more strategic about networking and to focus more of my time on people who could be the most helpful to me (and me to them). Now I spend most of my networking time and effort on my key contacts and on people who are most likely to become key contacts.

—Lori De Milto

Some things are absolutely necessary to a freelance business owner. Here are my suggestions:

- **An accountant.** Why attempt becoming an expert at accounting when my skills and interests are in editing and writing? I pay my accountant to keep up to date with the tax laws. I file quarterly taxes and prepare tax information for my accountant, who handles the paperwork.

- **A way to organize and total receipts for tax time.** I use https://www.shoeboxed.com. I send my receipts to them in an envelope; they scan and make the receipts available in various spreadsheets for easy integration with QuickBooks.
or other accounting software. I print separate spreadsheets for each itemized category.

- A DBA (“doing business as”). Google “how to obtain a DBA in [insert your state]” for state-specific information. In New York at least, corporations, limited partnerships, and limited liability companies are required by statute to conduct activities under their true legal name. All other entities, such as sole proprietorships, file an assumed name certificate. This is the first step to creating a professional business profile.

- A separate business checking account. You need to be able to deposit checks made out to your personal name as well as to your business name.

- IT support. Either Geek Squad or a local computer person can help sort out any issues with software or combining hardware. Whenever I buy a new component such as a printer, new antivirus software, or a computer, I find it takes as long as 2 weeks before all the components are integrated seamlessly. I sometimes don’t find the issues until I use a component and some file or feature is not correctly linked with the other parts of my work station.

Things that are nice to have but I have managed without:

- An automated project timer
- An automated invoice system
- A website

I have used my own time sheets and a customization of Word’s invoice template since I went freelance in 1997. Faster, more streamlined methods of timekeeping and invoicing exist, but I am loathe to try something new because my existing methods work well.

Regarding a website: I know that a website provides a professional showcase and could be a way to increase my business, but I find LinkedIn allows me to post useful PDFs and detail my skills. I do not want to attract cold prospects and I have been happy with the growth of my business using just my natural networking techniques and LinkedIn.

—Melissa L. Bogen

Five years into my medical writing and editing career, I led a roundtable about my lessons learned. Looking back at those, here is my advice to writers beginning their careers:

1. Attend the AMWA classes on how to start a freelance career. The advice about setting up a business, contracts, and where to find clients is invaluable.

2. Network at as many AMWA events as you can attend, or even organize an event yourself! One of my favorite experiences to relay is that, as a regional coordinator for my chapter, I had just 2 people attend an event that I had organized—but even that small event led to securing a key client. I’ve also gained work at nearly every AMWA conference I’ve attended, including the national conferences, so definitely go to them.

3. Also network within non-work groups. My talking to another mother in our mom’s group about how I’d like to combine my love of writing and my science background led me to learn about AMWA.

4. Before you write something, confirm the references you plan to cite with your client. It’s much harder to revise work with other references if you choose the wrong ones at the beginning.

5. If you discuss a raise or price point with a client, state those numbers in a follow-up email so that you can refer to it. Twice, I’ve had clients say they didn’t recall promising a raise, so proof is needed.

6. Consistently follow up with clients when you’re trying to “get in the door.” They may not have work the first or second time you talk to them, but checking in with them every 4 months or so will allow you to tell them what you’ve been working on in the meantime, and eventually they may have a match for you.

7. Set a comfortable timeline for your due dates, and check in with your client to ensure that they’ll meet their deadlines in delivering materials to you.

8. Don’t rush when emailing a client, especially if you are upset about something. Write an email and then take some time off before reviewing and sending it.

9. When editing someone’s work, be ever so gentle in track changes or emails.

10. Volunteer to write health- or medical-based articles for your local newspaper to generate writing samples. When I was starting out, I covered a healthy heart seminar at my library and had it published in the local paper.

—Cherie Dewar

As a medical writer, what are your favorite online resources?

As a medical editor rather than a writer, I rely on sites that help me check work of medical writers. Here is my list of go-to websites that I use every day or nearly every day:

- PubMed Single Citation Matcher ([https://www.ncbi.nlm.nih.gov/pubmed/citmatch](https://www.ncbi.nlm.nih.gov/pubmed/citmatch)): Because I use PubMed Single Citation Matcher every day, this site is my home page. This site has search boxes for journal name; year (month and day are optional); volume, issue, and first page; author name (with options to limit the author search to the first- or last-
named author); and title words. I can therefore verify references based on limited information.

- **MediLexicon** (http://www.medilexicon.com): This site provides links to definitions of medical abbreviations; a medical dictionary; drugs; medical equipment and devices; hospitals (by location or name); International Statistical Classification of Diseases and Related Health Problems (ICD) codes; and Medical News (from Medical News Today). This site is a great first place to search for basic information.

- **Merriam-Webster dictionary** (https://www.merriam-webster.com): These days I rarely look up words in a hardcopy dictionary. I have Stedman’s Medical Spellchecker loaded on my computer and use http://www.m-w.com for verifying spelling and hyphenation of everyday terms. This site also has a thesaurus.


- **AMA Manual of Style, 10th ed.** (http://www.amamanualofstyle.com): Need to keep up to date on the latest terminology? This subscription site, from the AMA and Oxford University Press, the publisher of the hardcopy manual, is excellent for searching terms on the fly. I have an electronic subscription but I also keep the hardcopy manual on my desk when I want to flip pages or consult one of my dog-eared Post-it notes in the book.

- **PDF Unlock** (https://www.pdfunlock.com): This site removes passwords and restrictions from secured PDF files. The site also has a link to convert a web page into a PDF file for free (https://www.htmlpdf.com).

—Melissa L. Bogen

As a medical writer, I frequently consult several websites as I complete my projects. Here is a list of some of the more frequently consulted sites:

- **https://www.ncbi.nlm.nih.gov/pmc**: Most medical writers should know this resource. This is a free archive of peer-reviewed medical articles that are maintained by the National Institutes of Health (NIH) Library of Medicine. The website is fully searchable using several parameters. Free full-text links to articles are cited when available.

- **https://www.drugs.com**: This independent medicine information website has information on prescription drugs, over-the-counter medicines, and natural products. They source their data from validated sources such as Micromedex, Cerner Mmultum, Wolters Kluwer, the American Society of Health System Pharmacists, and others. It is a great source of information on the latest drugs.

- **https://clinicaltrials.gov**: This NIH website is a registry of publicly and privately supported international clinical studies. You can search for clinical trials based on topics or study names. ClinicalTrials.gov currently lists clinical studies with locations in all 50 states and 195 countries. It also lists the publications for the trials, although I have not found those to be comprehensive.

- **https://guideline.gov**: This is a website created by the Department of Health and Human Services and The Agency for Healthcare Research and Quality (AHRQ). It is a public resource for summaries of evidence-based clinical practice guidelines. The guidelines are categorized by clinical specialties, and the website is fully searchable. However, it includes international guidelines, so make sure you keep that in mind. You can filter results for US-based organizations only.

- **http://www.uptodate.com/home**: This is an evidence-based, physician-authored clinical decision and support resource that is used by many physicians. However, you need a subscription to access the full articles. It gives current and up-to-date info on the disease, treatment, and available guidelines.

**Other websites**

Depending on the disease state that I am writing for, I also look at disease-specific organization’s websites, such as the American Diabetes Association (diabetes.org) or National Cancer Institute (cancer.gov). The Centers for Disease Control (cdc.gov) is also helpful for statistical information on various disease states. Medscape.com is also a great resource on multiple levels.

—Ruwaida Vakil

FREELANCE FORUM

WANTED: Reporters!

Will you be attending any Open Sessions at this year’s Medical Writing & Communication Conference in Orlando? Would you be interested in reporting on a session for the AMWA Journal?

Please contact journaleditor@amwa.org