

Subcontracting: Not for the faint of heart

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Abstract

Subcontracting can be the answer to a successful freelancer's prayers, or the opportunity to work harder than you have ever worked before for less money than you made when you were a struggling newbie. The potential advantages of subcontracting are numerous, including being able to meet more of your clients' needs, expanding your reputation and your repertoire, reducing your personal writing workload, and making more money – even while you are sleeping. But the potential disadvantages of subcontracting are also numerous and very real. Subcontracting puts your reputation on the line and out of your hands and exponentially increases your risk for problems ranging from cash flow and liability exposure to conflicts of interest. Subcontracting is not a decision you make lightly, but neither was your decision to freelance. It might just be your opportunity to soar.

Any seasoned freelance medical writer will tell you that success has little to do with being a good writer. Being a good writer is fundamental to the task and therefore expected, assumed. Being good at what you do is your ticket to the dance; but once inside, there are a lot of people waiting to be invited out onto the dance floor. This is why I have long counselled people who are new to the field of medical communications to get in with a good company, develop your skills, and learn the industry from the inside out. Only then can you even begin to think about striking out on your

own. The reason is simple. When hiring a freelancer, clients cannot afford to make a bad choice.

Clients only call on freelancers when there's an emergency. They have a project, a deadline, and either no one on staff with the requisite qualifications, or no qualified person on staff who is available to do the job. They must turn to someone outside their company. They will call their familiar freelancers first – the people who have already proved themselves to be not only good writers but also good at getting things done and doing them right. If a client is calling you and they have never worked with you before, you can bet they are out of options. They are nervous. This is why I love being a freelancer. Whether it is a client I know or a client I have never worked with before, every time the phone rings is an opportunity for me to be a hero.

Nobody's born a freelance medical writer. Whatever our backgrounds, we make ourselves into good writers and then into good freelancers. We become popular with our clients, who put us on speed dial, recommend us to their colleagues, and take us with them on their career journeys to new positions, new companies, and new opportunities. We have more work than we know what to do with, but dare we turn anything away? And still, we see more opportunities...if only there were more than 24 hours in a day and seven days in a week! To paraphrase Tennyson, when work is consistently too busy, a freelancer's fancy lightly turns to thoughts of subcontracting.

Remember the fear and/or apprehension you felt when you decided to take the plunge into freelancing? Well, if quitting your staff position and launching a freelance business is like jumping out of a perfectly good airplane without a parachute, subcontracting is like building a new airplane for yourself while you are on the way down. It is not for the faint of heart and not a decision you make lightly.

Early in my professional writing career, freelancing was my side hustle. It enabled me to



make extra money and explore new types of writing. In 1989 I quit my perfectly good day job and started my freelance business. I began specialising exclusively in medical communi-

cations in 1994 and started subcontracting in 2003. In the 16 years I have been subcontracting I have seen a lot. If you think freelancing can be tough, subcontracting can be exponentially tougher. It can also be more rewarding – personally, professionally, and financially. I will share with you what I consider to be the main advantages and disadvantages of subcontracting.

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The advantages of subcontracting

There are numerous advantages to subcontracting, and these are my top six:

1. Meet more clients' needs

As a freelancer, my first priority is to keep myself busy writing. Writing is what I love to do, and the projects I work on are fun and challenging. Subcontracting enables my freelance business to be a bigger solution for my clients than what I alone can do, whether because I am already committed or I lack the necessary expertise. When a client reaches out to me with an assignment, the first thing I do is assess whether I am the right person for the job and, if so, whether I have the bandwidth to take it on based

on the project schedule. If my answer to either question is no, I look to the freelancers on my team to see who has the right background and experience as well as the time to get involved. Thanks to subcontracting, my freelance business is able to say yes to many more projects, providing greater value to our clients and creating more great work opportunities for me and my team.

2. Expand your reputation and your repertoire

Our job as freelancers is to make our clients' lives easier. When clients can make a single call and get what they need, that is easy. By subcontracting, my freelance business has a reputation as a one-stop shop for all our clients' medical writing and editing needs. As a result, our clients typically reach out to us first because

we are likely to be the solution. If a project happens to be outside of our team's therapeutic areas of expertise, our clients will often offer the assignment to us anyway because they are confident in how we consistently deliver for them. In my experience, clients prefer to give a project to a freelancer they know despite it being in a therapeutic area they don't know, rather than give it to an unknown freelancer who says they know the therapeutic area. This gives us the opportunity to expand our repertoire, making our group all the more valuable to our clients.

3. Lighten your load

It is easy for successful freelancers to work themselves to the point of exhaustion. Face it, we love the challenge (and the money). But too much of a good thing can make us distracted, and



distraction can impede our performance and reduce the quality of our work. No matter how good we are, if important details start falling through the cracks, those cracks create openings for other freelancers to step in. (Remember what I wrote at the start of this article about there being a lot of people at the dance?) According to one MIT neuroscientist and expert on divided attention, multitasking is a myth.¹ Despite what we think, our brains have very limited bandwidth for processing new information. When we think we are multitasking, we are actually cognitively switching very quickly between tasks, which reduces efficiency and quality and increases the chance for errors. Subcontracting enables me to keep myself from becoming overloaded (well, usually), because I have other writers on my team whom I trust implicitly and with whom I can divide the workload to conquer it all.

4. Make more money

There's no disputing that freelancers love money. We work hard for it. And as successful freelancers know, you can earn much more money as a freelancer than anyone would ever pay you to work on staff. When you subcontract, you have more people working hard for it, which means you have more money coming in. The income from every project exceeds your out-of-pocket cost to the subcontractor, and that goes directly to your bottom line. How much excess? That is up to you, and up to what your market and your clients will bear. What helps determine what your clients and what your market will bear is the added value your company brings to the table compared to other freelancers. Value is intangible, but to your client it is palpable. When they get a level of quality, confidence, and efficiency from you and your subcontracting team that is greater than what they feel they get

from other freelancers, your company can command higher rates – but to a point, and this is where the difference between hourly and project pricing comes in. It is possible to build a subcontracting model based on hourly pricing. However, there is a finite amount clients are willing to pay per hour, so charging by the hour restricts you to charging for time, not for value. Value is how the subcontracting model works. Project pricing enables you to charge for the value of your service rather than for the time it takes to get something done. This, in turn, enables you to pay your freelancers well while still paying yourself. If you are not making money on the work your subcontractors are doing for you, what is the point?

5. Make money while you sleep

The worst thing about freelancing is that you don't make money when you are not working. Perhaps the best thing about subcontracting is that you can make money while you are sleeping, vacationing, caring for a sick child or an ageing parent, or struggling with a hurricane-induced power outage. I recently took a 3-week holiday, which is the longest time I have taken off in my entire career. When I go on holiday, I don't take any work with me. No email, no teleconferences, no computer. Nothing. I work hard, so I play hard. While I was away, the subcontractors on my team were continuing to work on their projects. New projects were coming in the door while others were being delivered. It's wonderful! I work with subcontractors across

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the US and around the world, and I have found that time zones also work to our advantage. As I am waking up in the eastern US, a writer on my team who resides in the UK already has 5 hours in on the day. As I am leaving my office at the end of the day, a writer on my team in California still has 3 hours to complete her assignment. When you subcontract, you can make money all the time.

6. Build your business into an asset

Freelancers are entrepreneurs. The ultimate goal of entrepreneurship is to build assets you can make money from for as long as you want, then cash out by selling the business and move on. Most freelance medical writers are what I call a "business of one". They are the business and the business is them. That can make the business difficult (but not impossible) to sell, because the buyer has to be willing to then become the business, too, and the clients have to be happy with the new owner/freelancer. Also, it takes money to buy a business. I doubt someone wanting to break into freelancing would be willing to risk the capital to "buy" another freelancer's clients, which is something a successful freelancer would never have to do anyway. A freelance medical writing business with both clients and subcontractors is bigger than the person who owns it, making it a more attractive asset for an investor who might or might not also be a medical writer. Eventually, selling the business could be an attractive option for you to transition into retirement or start a new venture.

The disadvantages of subcontracting

If subcontracting was easy, everyone would do it. It is not, and for a number of reasons. These are what I think are the top five disadvantages of subcontracting:

1. Work harder and earn less

Subcontracting involves a lot of work that has nothing to do with putting words on the page. Imagine this: you have six subcontractors, each of whom might be working with you on two assignments. Each of those 12 assignments began as opportunities, with phone calls or emails requiring your attention and follow up. Each project has to be estimated, which is a process on which I work very closely with the writer or editor who will be doing the work. After the estimate is submitted to the client there might be some negotiation, then finalisation, and invariably paperwork to review and sign. Multiply that by 12. When possible, I want to be on every call between the subcontractor and my client, so I know what is going on. Multiply that by 12.

My obligation is to the clients, to ensure they receive the value they expect from their investment in us, and to the subcontractors, to ensure they get whatever they need to do the job to the level of quality our clients expect, and to intercede if the project or the client goes off the rails. Multiply that by 12. While I prefer subcontractors to have direct lines of communication with the client (always copying me), I serve throughout the project as a sounding board for the subcontractor to bounce ideas, discuss their strategy and approach, review drafts, and run interference when necessary. Multiply that by 12.

Throughout the process I am fielding emails and phone calls related to each project. I am receiving progress invoices from the subcontractors and invoicing the clients, then receiving and processing payments and paying the subcontractors. Multiply all that by 12.

The bottom line is that when subcontracting, you can work harder than you have ever worked before and ultimately earn less for your time, effort, and value than before you started subcontracting. You have to be very careful about choosing the right subcontractors, choosing the right clients for whom you will let subcontractors work (and some clients want only you, not a subcontractor), marrying the right projects to the

right subcontractors, and managing the amount of time and effort you spend on these activities. And don't forget, while you are managing all the subcontractors, clients, and projects, you are also getting, estimating, writing, and managing your own projects!

A lot of what I described here may seem like project management, and a project manager would surely help. The challenge is deciding the point at which it makes financial sense to bring someone onto the team who costs money, but who does not generate money. However, the activities and responsibilities I have described are not all or only related to project management. Along the way I am making decisions and commitments only the business owner can make.

2. Risk your reputation

A key benchmark in the journey to becoming a successful freelancer is the point at which your reputation in the field brings you more work than your traditional marketing efforts. It takes a lot of time and effort to build a good reputation, and no time at all to destroy it. When you subcontract, you grant to every subcontractor the power to uphold or destroy your reputation. Make no mistake, this is not just a big thing, it's everything. I know many people who subcontract to new freelancers and novice medical writers. There's nothing wrong with that. In fact, I admire successful freelancers who not only mentor but actually make mentoring a part of their business model. A major benefit is that you can mould the subcontractors in your unique style and ways. A major drawback is that it's a lot of work to turn new writers into great writers and novice freelancers into great freelancers. As I alluded to in the last section, the more time you spend managing your subcontractors, the less money goes to your bottom line.

I feel a personal as well as a professional commitment to mentoring new and aspiring medical writers and freelancers, and I do it often. But when it comes to my business I want to hire only the most experienced and successful freelancers to work with me for the benefit of our clients. This is how I ensure our clients consistently get the very best work, which

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supports our outstanding reputation as a business and our unique value as a business partner.

3. Risk your cash flow

From the client's perspective, a major advantage of hiring a freelance medical writing business that subcontracts is that they get access to a number of great writers and the ability to accomplish a number of

projects simultaneously, all through a single supplier. No multiple master service agreements or confidentiality/nondisclosure agreements, no multiple business entries for accounting. It may even be easier for them at tax time. The reason for this is that their business relationship is with you, not with the subcontractors. This means that the subcontractors' business relationships are with you, not with your clients. If a client becomes slow in paying, or worse yet tries to slip out without paying, that is not your subcontractor's problem. You owe the subcontractor's fee, and you owe them timely payment, regardless of what happens with your client. This can put quite a strain on cash flow if you don't stay on top of your accounts receivable and make sure your clients pay on time.

4. Risk your exposure

Freelancers are accustomed to signing confidentiality or nondisclosure agreements, ensuring any confidential information you receive in the course of doing business with your client will remain confidential. One could argue that as a business of one, you are in complete control and therefore there is little possibility of anything going wrong or of you doing anything unethical. But when you have subcontractors working with you, even though you presumably hire professionals who know better, your company's exposure to potential liability increases exponentially. As a freelance business, when you sign a contract you sign for your company. If you use subcontractors, your signature on the contract includes taking responsibility for your subcontractors. That is a lot of responsibility. At the start of any subcontracting relationship I ask the subcontractor to sign a nondisclosure agreement. It's a simple agreement I have prepared based on many examples I have seen



and read over the years. It is not restrictive of trade, and it does not include one of those nasty indemnification clauses. My business also carries general liability insurance and professional liability (errors and omissions) insurance. I did not bother with these when I was a business of one. The confidence I have in the professionalism and ethics of my team is now supported by the nondisclosure agreement I have with each subcontractor and the insurances my company carries. This gives our clients an added sense of confidence and comfort when I sign their contracts on our collective behalf.

5. Increase potential conflicts

Conflict of interest (COI) is a fact of life for freelancers. The longer you work the more therapeutic areas you work in; the more drugs, devices, or diagnostic tests you write about; the more clients and companies you work with; and the more likely you are to have to decline an opportunity due to COI. Now, multiply that risk by the number of subcontractors on your team. When you subcontract there is a much greater likelihood that COI situations will arise, and you need to know how to handle them. These are a few of the basic ethical principles to which all freelance medical writers should ascribe (this is certainly not a complete list):

- First and foremost, medical writers must always be acknowledged for their contribution to a manuscript.²⁻⁴
- Second, you should never work on competing products in the same therapeutic area at the same time.
- Third, if you work with medical communications companies, you should never help one client take business from another client.
- Fourth, if you work in promotional areas and also write continuing medical education, you must observe ethical washout periods.

The ethical situations described above are straightforward. But when you subcontract, ethical conundrums can arise. For example, is it unethical to have one subcontractor working on a project for a product that competes with another product on which you have a different subcontractor working on a project at the same time? Or, is it unethical to have one subcontractor writing a branded promotional PowerPoint presentation for a product at the same time another subcontractor is writing a continuing medical education piece for the same product? In my opinion, anything that even remotely gives the appearance of potential COI is something to avoid. This also builds trust with your clients. In my experience, when I turn down

an assignment due to COI, the client I am turning away typically respects and values my ethical position and comes back to me with other opportunities in the future knowing I will be the first to blow the whistle if a potential COI exists.

Tips to make subcontracting work for you

Just as freelancing is not right for everyone, neither is subcontracting. I thought about it for a long time before taking the plunge. I couldn't figure out how it could possibly work. If I was charging at the top of what a freelance could charge, how could I possibly hire subcontractors who were as good if not better than me, pay them just as well, and convince clients to pay even more so there was money in it for me? Then I remembered having a similar concern many years before when I was contemplating quitting my perfectly good job and starting a freelance business. Just as before, I couldn't let fear and uncertainty stand in my way. My subcontracting journey has not been easy, but it has been rewarding and fulfilling. I continue to learn new things each day.

I will leave you with these 10 subcontracting tips to help you get started.

10 Subcontracting Tips

1. First, be successful.

If you don't already have a thriving freelance business, don't start giving away your work to subcontractors. Your success comes first!

2. Always be transparent.

Clients need to know who is working on their projects, and not all clients want you to use subcontractors. In time, your clients will love your subcontractors so much they will request them by name!

3. Don't get in the way.

Let your subcontractors have a direct line of communication with your client, but make sure you are always in the loop so you can support the team and the process. You are the value added!

4. Stay on top of everything.

Your job is to make sure both your client and your subcontractor are getting what they need, and to keep things from getting out of hand. Projects move fast!

5. Estimate carefully.

When working with a subcontractor, you are estimating for two. Make sure there's money in the project for everyone!

6. Maintain your visibility.

This is your company, your clients, your team, and your reputation!

7. Know your limitations.

Subcontracting gives you more capability, but it does not make you invincible. Don't be afraid to say no!

8. Act like a business.

When you subcontract, clients expect you to act like a full-fledged business instead of a "business of one," because you are!

9. Be responsive.

The busier you get, the more vital it is that you respond quickly and thoughtfully to all emails and phone calls. Think you are busy now? Just wait!

10. Own every mistake.

Errors don't belong to the people on your team who make them, they belong to you. Learn from them fast!

BONUS TIP!

11. Be grateful.

Be the first to give credit to the people on your team for a great idea or a job well done. Without the orchestra, a conductor is just a person with a stick!

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The opinions expressed in this article are the author's own and not necessarily shared by EMWA.

Conflicts of interest

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