

Tricks of the Trade to Negotiate Record Low Prices with Freelancers

Unless you happen to be a millionaire guru, chances are that you're running your business on a pretty tight budget. Because you need to ensure that your returns on investments are within acceptable levels, your cash is bound to have strict limits on it.

And when it comes to outsourcing, or rather, hiring freelancers, you're probably not exactly willing to pay an arm and a leg.

Essentially, that is the reality that most marketers find themselves facing. Truth be told, even the 'guru's have to pay attention to their returns on investment though, with the sort of figures they deal with, their budgets end up being considerably higher.

For the rest of us mere mortals though, we don't have the luxury of all those zero's appending our incomes, and so we need to be a tad more careful.

When hiring freelancers though, this presents a bit of a problem.

Even though there are a lot of freelancers out there that charge pretty low rates, at the end of the day, the age old adage that, "You get what you pay for," applies as strongly as ever before.

In other words, it is an odds on chance that for dirt low prices, you will end up with a finished product that is compromised in terms of quality. And in the long run, this could mean extra work on your part would be required to 'fix' what you've already paid for.

True, occasionally it is possible to find that one-in-a-million freelancer that is charging extremely low rates for high quality work. Still, such cases are rare, and spending days, weeks, or months trying to find such a gem is just as unacceptable an alternative.

After all, it is somewhat like looking for a needle in a haystack.

Another 'cheap' alternative is to go out looking for freelancers that are having special promotional offers, to help themselves get established and the like. That said, these are few and far between, and even then the rates are purely temporary, and so it isn't a viable long term solution.

So what should you do? Just throw in the towel, abandon the idea of outsourcing and do everything yourself until you're better off financially and can pay the sort of rates that the 'guru's pay?

No. Of course not.

If you were to do that, you'd probably never end up getting too far as you'd soon hit a ceiling in terms of what you're able to accomplish. Once that happens, you'll never end up achieving the lofty heights of the 'guru's.

So if that was your plan, you'd best abandon it now.

Instead of going about things in such a roundabout way though, what about just dealing with it directly? What if, instead of worrying about alternatives, you just dealt with the high prices themselves?

What if you negotiated lower prices?

Many marketers, especially beginners, don't seem too inclined to negotiate. But here and now, you should realize this one thing: Negotiation is part and parcel of the process of settling on a price.

If you haven't been negotiating thus far, that probably means that you've been paying way more than you should have.

Throughout this guide, we're going to look at negotiation skills that will give you a huge edge when dealing with freelancers. Some tips, tricks, and even simple wordplay techniques will all be revealed, so that you can get the very best prices out of any freelancer.

That's what this guide will do for you.

Before we kick things off though, let's start by looking at pricing in general, and how you can determine what is fair, and what is not.

Calculating a Price that is Fair and Low

Frankly speaking, it can't be stressed on enough how important it is to be able to estimate a 'fair' price.

Unfortunately, there are no set standards to follow, and no universal pricing system when it comes to freelancing, so what is 'fair' is going to be determined by you, and the freelancer that you intend to hire.

What you can rely on, to a certain extent, is the power of comparison.

But in order for that to tie in to your particular needs, first and foremost on your mind should be how much exactly you're willing to spend to outsource a given task. And this is something that we can more easily deal with...

Determining Your Own Budget

Earlier on, we'd dealt with this briefly, but just to ensure that we're all on the same page, let's run over some of the intricacies that are involved.

Basically, your budget is going to be the one and only solid guideline that you have regarding how much you're willing to pay. And due to that fact, it is going to be of very great importance indeed.

A higher budget will allow you to hire more expensive (and therefore possibly, better) freelancers.

But more importantly, a higher budget will put you on a higher negotiating peg – but we'll get to all of that soon enough.

Right now, there are a number of things that you should consider regarding your budget:

1. What are your expected earnings as a result of the job that you're outsourcing?
2. What is the absolute most that you're willing to pay for the job?
3. What would your return on investment (ROI) be assuming you're paying that upper limit?

Okay granted, this is just a sketchy approach to determining your own budget, but it is one that suffices. For some outsourced jobs, the expected earnings as a result of that job, and by extension, the ROI, will be tough to determine.

End of the day though, what you want to have established, somehow, is a highest value that you're be willing to pay for the job.

After you've sorted out the upper limit, it's time to see where exactly that stands in terms of 'fair pricing'.

Scoping Out a Fair Price

Unlike your budget, when scoping out a 'fair price', there is no calculation that can help you, and you literally have nothing to base it on.

Nothing, that is, apart from what you can go out there and find out.

Truthfully, that's what scoping out a fair price is all about really. Going out into the marketplace and looking at what the going rate for outsourcing tasks similar to yours is at the current point in time.

If your task is a completely unique one, this may be a slight issue, but the overwhelming odds are that the task that you're outsourcing is one that many marketers are already outsourcing too.

Therefore, it shouldn't be too difficult to see what others are paying, or willing to pay.

Unfortunately, that's where the easy bit ends, because even after you find out what others are paying, you're bound to notice that there is a huge discrepancy in pricing. Where some people will be paying \$5 per article, others may be paying \$50.

And that's exactly what is so stumping about the pricing. Naturally, it is assumed that the greater price is based on the expectation of a far superior quality, and so it would seem that you would want to compete with that.

Since, end of the day, you do want quality, right?

One way to determine the fair price is to simply take the average of the prices that are being paid. Needless to say, this method has its flaws and isn't a hundred percent accurate in any way, but at least it will give you a nice idea to start with.

Another alternative is to simply look at the general range of prices, and not bother too much about finding a specific 'fair price'.

Whichever you opt for, what you should have accomplished by the time you're done scoping out what others are paying for similar jobs is establish a rough idea as to what sort of price you'd expect to pay.

Now, where does your budget fall in terms of those prices? Are they all within it? Even the most expensive ones?

Or does your budget fall somewhere in the middle of the range?

Whichever the case, based on your budget, and your newfound idea of how much others are paying, you should be able to at very least get a 'feel' for what is fair. Granted, this isn't ideal, but for now it will suffice.

Because as you're about to find out, what is far more important than determining the 'fair' price is being able to acquire the skills that you need to get the price that you want!

Yes, we're about to start discussing negotiation in general, and establishing a firm understanding of what it entails.

Introduction to Negotiation

Have you ever been to a marketplace where you could negotiate the prices? There aren't many around here, but in third world countries in particular, they're very common.

If you've been to one, you would undoubtedly have noticed all the back-and-forth haggling that takes place. Offers are responded to with counter-offers, and the process repeats itself until a mutually agreeable price can be settled on.

For many people, this is simply something that they aren't used to. After all, if you were to go to a supermarket and try to bargain the prices there, you'd probably end up getting chucked out into the street.

However, in the marketplace that we were talking about earlier, it isn't considered improper to negotiate. Nobody gets annoyed if someone asks for a cheaper price. In fact, everyone would probably think it strange if someone agreed to the initial price.

Here's what it boils down to: In some situations, traders expect their prices to be negotiated.

And this applies to the online marketplace in a way like never before.

When you're hiring freelancers, the simple fact of the matter is that the freelancers themselves expect that you're going to try to bargain them down in terms of price. Thus, they sometimes compensate with a high initial price from which to work down from.

Of course, this isn't a 'universal' law, but it does apply in most cases.

Essentially, freelancers themselves face a choice, either they start with a 'fair' price and end up coming up against someone who negotiates, in which case all that they just did was cause their opening offer to be a low one.

Or, they start with a 'high' price, and if the client doesn't negotiate, they end up pocketing a nice tidy profit. In a nutshell, by starting with a high price, a freelancer has everything to gain, and nothing to lose.

This has pretty much become the convention under which most freelancers operate.

Due to all of this, the onus is definitely on you to negotiate terms that are more to your liking. To do so, there are several methods that you could employ, but first, let's go over the basics of negotiation, so that you know what to expect.