

Working outside the hourly invoicing box

The pros and cons of allowing your clients to determine your fee afterwards

BY KARIN QUINT

Self-employed entrepreneur Sanne Roemen never draws up a quote. Nor does she always write out an invoice. Instead she leaves it up to her clients to decide how much they want to pay her. And even in which form: with money, or alternatively, a book voucher or a 12-month lease on a notebook, for example.

Roemen is not interested in the principle of hourly rate invoicing. According to trend watcher Justien Marseille, a growing number of people are working in this manner. "Self-employed people often need to negotiate with their clients time and again," explains Marseille. "There's more to the negotiating process than the hours and the price. Think about the privilege of being able to participate in a specific project, to be able to make a difference, or the pleasure of working with certain people. Because of these factors, the price is not set in stone by default."

Sanne Roemen, who advises companies on the use of Web 2.0 in their operational management, has learnt from experience that clients who are given the option of determining afterwards how much to pay her often pay three times the amount she would have quoted and invoiced them for. This also compensates for the odd occasion that a client pays less than she expected. "I can't decide for a client how much added value my service has in their eyes. It can be different for everyone."

That also means that Roemen must trust her clients to consider her value seriously. She has not had a single negative experience in this regard to date. And it is all part of the risk of being an entrepreneur anyway. "If you submit a quote, you are excited about possibly landing the assignment. Now you are excited about what you will receive for it at the end."

Martijn Aslander has stopped using quotes and invoices a few years ago. He calls himself a "connector". He connects people who can be of service to one another and is an expert speaker in the field. He provides his vision on new

value and organisation models in the higher echelons of banks and companies in particular. If Aslander were to send huge invoices for these services, he would probably have had a bank account to match by now. But he finds it more important to be involved in interesting projects, meeting people and working together to find solutions.

The knowledge and information he gets from his clients and the access to people and places is therefore worth more to him than money. He prefers receiving a backstage pass for an event he wants to attend rather than a sum of money deposited into his bank account. “You can never have too much money. You can only spend it once and then it is gone. But you can share your network, or the knowledge and information at your disposal endlessly,” says Aslander. Of course, he needs to pay for a roof over his head and to keep him clothed and fed, so it is rather handy if someone does decide for a financial compensation now and then. But it can also be done in another way than paying an invoice. “If I do something for the NS, they could pay me with an annual public transport pass. It is cheaper for them, and worth a lot to me.”

The downside of this manner of working is that you get no more than a bottle of wine if the client is not satisfied with your work. “That can be very scary,” admits Aslander. “But it also means that you have evidently failed to create added value. This challenges you to stay on your toes, so that you do the right thing at the right time.” But does it not open the door to unreliable client finding an easy target in the trusting entrepreneur? No, according to Aslander, who says he has learnt that it works out well in the bigger scheme of things. “You must learn to look further than this single client.”

Of course it is easier for a client to simply receive a quote and an invoice, according to Michiel Kahmann of business consultancy Pentascope, which often collaborates with Aslander. It is difficult to attach a price tag to a service rendered. “But I do feel that there is a trend towards this in our economy,” comments Kahmann. “There are many young people who will not be tied down with a pay slip, who are interested in not only money but also their own personal development. Putting everything down in a contract might make for more clarity, but also prevents them from being creative.”

Aslander assists Pentascope in issues such as knowledge development and in events organized by the company. He has free use of an office in Groningen where he may receive people. "He also strikes up a conversation with our consultants in passing. I notice that he has an inspiring effect on them. We could also have set up an expensive training course to achieve that, but I think this is a cheaper option that achieves the same results," says Kahmann.

Pentascope may sometimes express its appreciation for Aslander's service in financial terms, and sometimes by purchasing a gadget or offering him free office space. The system completely confuses the tax authority, comments Aslander. "I'm happy to pay my taxes and have had a few meetings with the tax authority. But they simply cannot work it out. They are simply not yet prepared for this business model."

This "reverse economy" or "economy of giving".

According to trend watcher Justien Marseille of The Future Institute, this working method of having a client decide afterwards how much to pay fits in perfectly with the character of the current era.

According to Marseille, we are living in the "reverse economy" or "economy of giving". "We come from a period where we were used to scarcity. Now we are entering a period in which we have our basis firmly established," explains Marseille. "We have a roof over our heads and enough to eat. We find it more exciting to contribute our knowledge and develop ourselves than to simply make money. Our self fulfilment has become more important than material possessions. That is why we want to hear from others how much we are worth."

The "reverse economy" manifests itself in creative professions in particular, according to Marseille. "There it is difficult to estimate the value beforehand, because you don't know what it will yield in the end."

According to the trend watcher, it is still difficult to estimate how many entrepreneurs are prescribing to this working method. "But the phenomenon is gaining ground rapidly," according to Marseille.