



How to Become a Successful Tech Freelancer

*Everything you need to know to create a
successful freelance career in tech.*

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Introduction

Freelancing has become an important topic in recent years. It has been shown that freelancers are crucial for turnover and employment growth.

Especially as a quick solution for acute projects, freelancers are often a good decision.

The big advantage is the quick training and the timely start of work without long processes.

In the IT industry, they are a good way to combat the shortage of skilled workers. They bring a high level of expertise, a lot of experience, and flexibility to a project.

In a survey by Workmarket, 83% of business leaders surveyed said they believe freelancers are more productive than permanent employees.

What Does Freelancing Mean?

A freelance profession is an activity carried out independently and is not subject to the trade obligation under German law.

As a freelancer, you perform services for a client independently and on your own responsibility.



Why Freelancing?



Be Your Own Boss

You determine your working hours and wages. You decide about vacation times and orders. Work according to your rules. Already in 2019, 75% of respondents worldwide said in a Statista survey that flexible working hours are the new standard.



More Freedom

As a permanent employee, you are bound by rules, working hours and tasks. As a freelancer, you enjoy more freedom and can organize your professional life as you wish. As long as you fulfill the contractual obligations, there are no limits.



Make More Money

Although the risk as a freelancer is greater, according to surveys, most freelancers earn more than their permanent colleagues. The average hourly rate in 2020 was €94. However, freelancers bear additional costs themselves.

What Are the Downsides to Freelancing?



Be Your Own Boss

As a self-responsible boss, it is also important to separate professional and private matters and find a balance.



False Self-Employment

The risk of false self-employment is always present with freelancers. In case of non-compliance, high penalties may be imposed.



Find Projects

As a freelancer, you look for projects on your own. So there is always the possibility that there are no suitable projects at the moment.



Chapter 1: Becoming an IT-Freelancer

All beginnings are difficult, that's why we start in this chapter to summarize the most important steps to successfully start freelancing.

We explain how the registration works and what are mistakes that can happen at the beginning and how to avoid them.

How to Become an IT-Freelancer? (Part 1)

1

Self-Assessment

Before you take the first step into self-employment, you should think about what your skills are and what you would like to offer as a freelancer. What are problems where you can offer concrete solutions?

2

Market Analysis

In the second step, you take a closer look at the market and assess how it might develop in the future. Identify possible market gaps and look around for competitors.

3

Finances

You should also think about your finances. Although you get a higher hourly rate as a freelancer, you have to bear many costs yourself. [Take a look at our additional article on the topic of hourly rates for freelancers.](#)

4

Registration

As a freelancer, you are exempt from the trade obligation and therefore do not have to register a trade. For this reason, you only need to inform the tax office about the start of a freelance activity.

How to Become an IT-Freelancer? (Part 2)

5

Equipment

As a freelancer, you usually work with your hardware and software. If you already have experience in this environment, you should be familiar with the requirements. You also typically work remotely or in a home office, which is why [we have compiled some tips for more productivity in the home office](#).

6

Generate Momentum

You should also build a strong online presence that includes popular business networks such as LinkedIn. [You can find tips for a meaningful profile here](#).

[Registering with intermediary services, such as ElevateX](#), also helps you find exciting projects.

7

Completion

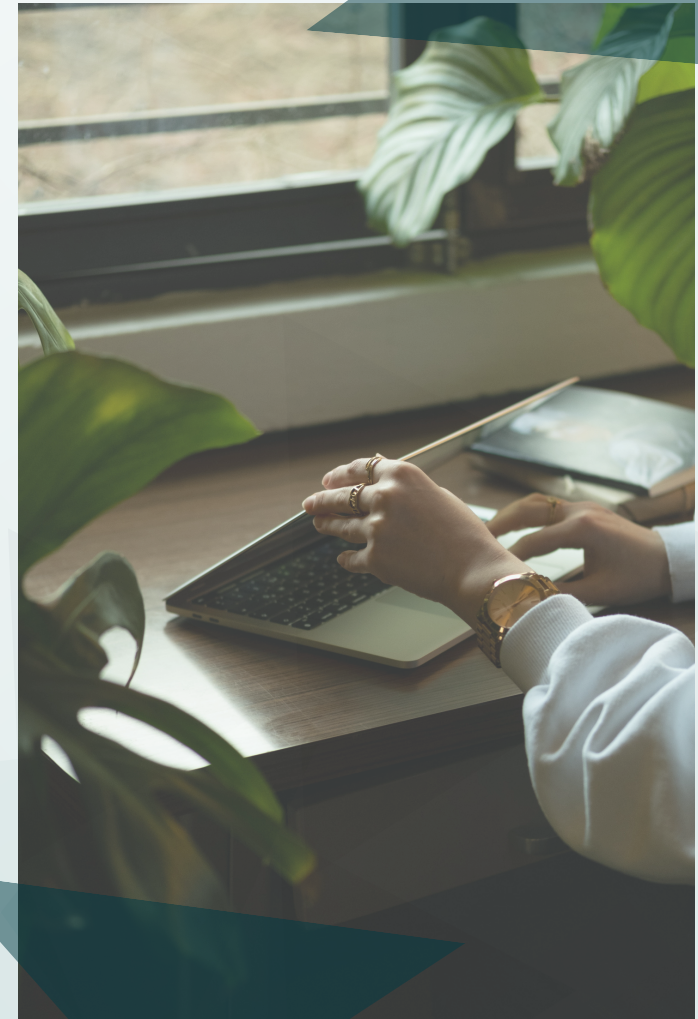
Then, after you have won your first project and completed your task, you should bring the project to a close. Clarify final questions and write an invoice that explains your service in detail. If you got the project through ElevateX, we will clarify financial aspects together and be your contact person.

The Registration

As already mentioned, as a freelancer, you are not subject to trade. For this reason, registration with the tax office is sufficient. You should have done this no later than four weeks after starting your activity. The following information is required:

1. First and last name
2. Address
3. Contact details
4. Date when the activity starts
5. Job description
6. Tax identification number

The letter is informal and cannot be submitted online. Afterward, you will receive a questionnaire for tax registration.



How to Avoid Common Mistakes

1

Calculate Hourly Wages Incorrectly

As already mentioned, the correct calculation of the hourly rate is essential in freelancing. Do not rely on rough estimates, but inform yourself and calculate what you need for an hourly rate. [Here you can find again our contribution to negotiate a suitable hourly rate in a personal conversation.](#)

2

Neglect Project Acquisition

To be successful in freelancing, you must regularly accept new orders. Make sure that you do this in time so that you have as little dead time as possible between projects. It's best to start looking for new jobs while you're still working on a project.

3

Do Not Create Reserves

You may not be able to get new projects at times, or some projects may take longer to complete. Make sure that you are prepared and create appropriate reserves. You should also be prepared concerning your pension.

4

Accept Too Many or Inappropriate Projects

In freelancing, you have the great advantage that you can usually decide for yourself what projects you want to work on. However, as tempting as some projects may sound, you should inform yourself beforehand and consider whether the project suits you and whether you can accommodate it in terms of time.

Chapter 2: Tips and Experiences

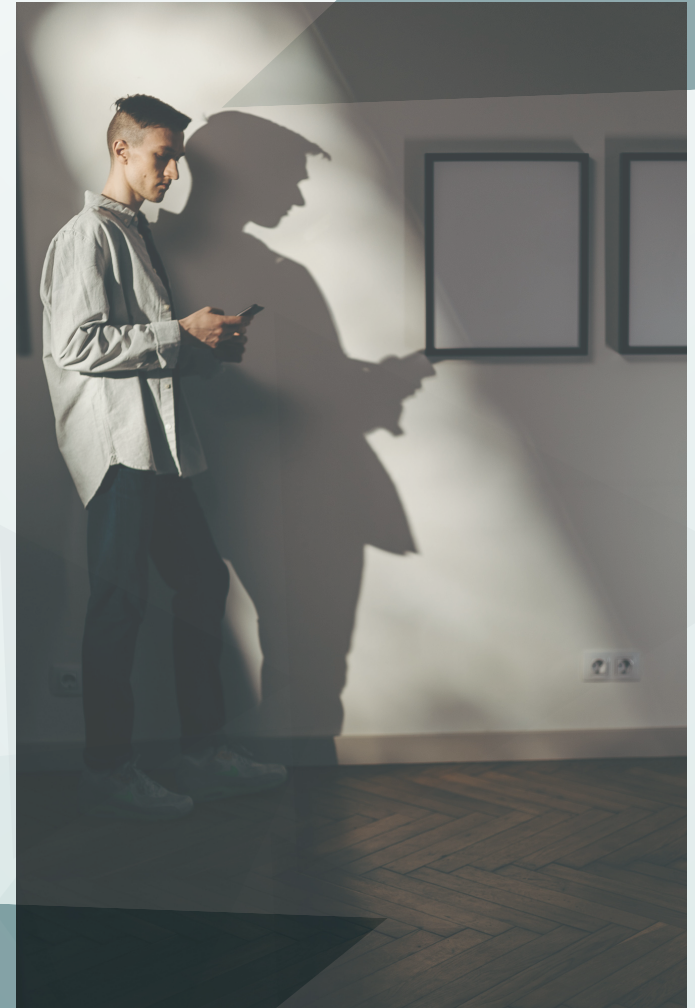
In this chapter, we deal with experiences we have made in our many years of working with freelancers. We give you the most important tips on topics like false self-employment, hourly rates, technical job interviews, and project acquisition.

What Is False Self-Employment?

A false self-employed person is a freelancer who, from a contractual point of view, provides services for an external company, but actually works as if in a classic employment relationship.

Both the freelancer and the company concerned bear the responsibility.

Want to learn more about false self-employment?
[Read our article on the topic and download our checklist.](#)



How to Negotiate Your Rate Successfully

1

Prepare Thoroughly

Set yourself reasonable fee expectations. You should also find out more about the company and your interviewer. You can also network with freelancers who have already worked for the company and take their experience with you.

2

Clarify Ideas in Advance

Clarify rough price expectations in advance. If you find that price expectations are too far apart, you can avoid long negotiations in advance.

3

Explain Services

Make sure you don't justify your fee but explain your services and how your hourly rate is made up.

4

Recalculate the Hourly Rate

Make sure you keep your price range flexible. Not every project is the same, so your price shouldn't be either. You should also include costs that you will need to incur for the project.

5

Negotiate Tough but Friendly

On the one hand, you should not sell yourself short. You know your abilities and your value. Nevertheless, you should also remain flexible and be able to accommodate the other person.

How Does a Job Interview Work?

Think of a technical job interview as a sales pitch. Instead of a product, you sell your services and skills. The following things happen during an interview:

- Each party (client, freelancer, and intermediary, if applicable) briefly introduces themselves.
- The client introduces the project and the tasks involved.
- The freelancer introduces himself, experiences, and approaches to work on the project.



How to Be Successful in a Job Interview



Motivation

Make it clear to your counterpart why you are the right choice. Give reasons why you want to work with the company.



Pricing

Go into the interview with a clear idea. Also, be prepared to explain your services and how you calculate your hourly rate.



Coding

Practice and improve your programming structures. Be prepared to explain them in an interview.



Deadlines

Emphasize that you are reliable and good at meeting deadlines. Be honest with your partner if you have not been able to meet deadlines in the past and give reasons. It is not always possible to meet a deadline.



Availability

Check if you are available for possible periods of time. You should also be available, at least partially, during normal working hours. Communicate openly in this regard.



Technical Knowledge

Explain your skills to your counterpart and explain why they fit the task at hand. Concentrate on topics that you know well. In IT, topics such as clean code are particularly important.

Entry Achieved – What Now?

Bureaucratic Hurdles

One of the bureaucratic hurdles is the status determination procedure, which can be applied through various institutions. If the clearing office of the German pension insurance determines false self-employment, the parties involved face high fines.

Financial Advantages and Disadvantages

Freelancers have to look after their own retirement provision, as there is no financial protection from a company. Added to this are the falling pension level and the ongoing low-interest phase. Although freelancers are usually better paid and therefore have a higher chance of financial success, they must largely take care of their own financial security.

Cultural Specifics

Freelancers usually have the possibility to work independent of location and time. In addition, they can freely decide whether they want to accept different projects or not, and thus typically work only with partners with whom they want to work. Furthermore, there are freelancer communities in which freelancers can exchange ideas and help each other.

Professional Differences

As a rule, the technical differences to permanent employees are limited. In terms of content, the same projects and topics are dealt with. The only differences are in the processes. In addition, freelancers are not bound by instructions. They owe the contractual partner a service, how this is fulfilled is irrelevant. Only the contractual framework conditions must be adhered to.

How Does Project Acquisition Work?



Online

It is important to have a good online presence. This includes social media profiles or websites. You can also register with intermediary services like ElevateX. The advantage of business networks like LinkedIn is that companies can also find you. Most of the time it's a cold call, which means you don't know your potential client yet.



Contacts

Contacts are always an important means of obtaining orders. This is not only true in freelancing. You can actively approach partners with whom you have already worked in the past. It also makes sense to stay in contact with such partners so that they will approach you first in case of an upcoming project.



Events

Even in the real world, it is often helpful to approach potential partners and introduce yourself and your services. Especially at trade fairs, events, training courses or other events, you can use this professional environment to present yourself. Make sure to leave contact details afterwards, so that the person you are talking to can reach you.

Want to know how to enhance your LinkedIn profile? Read our article on the topic and [learn 9 practical tips to enhance your profile](#). Check out our [blog for topics related to freelancing!](#)

Chapter 3: Why ElevateX?

In the last chapters, we showed you what you should consider when starting freelancing and what life as a freelancer is like. At ElevateX, we help you find exciting projects, and you become part of a growing community.

How to Find New Projects With ElevateX

1

Contact us with your CV or LinkedIn profile.

2

Get to know our expert and tell us about your last projects.

3

Welcome! Now it's time to work on the most exciting projects in your industry! Once you're on board, you can recommend a friend and earn an extra.



What Does Our Community say?



"Thanks to ElevateX, I took the step into self-employment and immediately started a very interesting project with a FinTech. We signed the project contracts over dinner together - that's how I imagine personal communication! I can unreservedly recommend ElevateX for any freelancer."

- Antti, Android Developer

Why Our Community Will Help You Grow



Work on exciting projects with leading tech startups in your industry.



We empower you to shape the industry, grow, and continuously learn.



Reliable support so you can focus on your project.



We believe in personal relationships and are here to help you. That's why your needs as a freelancer are always at the center.

Conclusion

In summary, starting freelancing is not difficult from a bureaucratic point of view. However, good and detailed preparation should be the focus. From your own financial situation to the acquisition of new projects, there are a few things to consider. A high sense of responsibility, independent work, and a high level of self-discipline are important to be successful as a freelancer.

Any questions left?

Don't hold back. We're here to help.

Visit elevateX.de/freelance or get in touch with us via freelancer@elevatex.de.

