

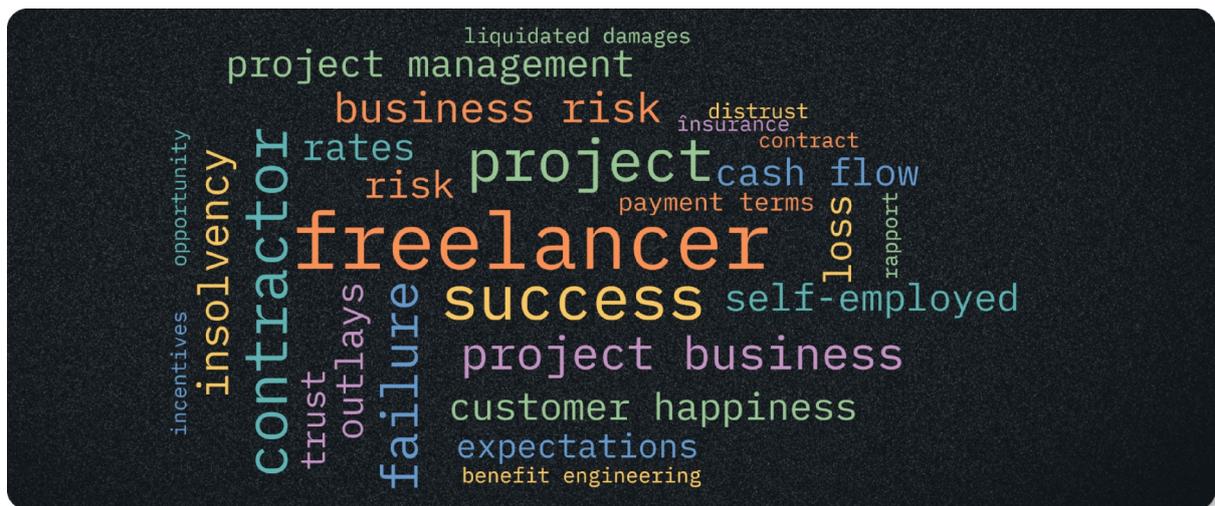
## ***Project Business Management<sup>1</sup>***

# The Freelancer's Story

Oliver F. Lehmann

*"I have learned that success is to be measured not so much by the position that one has reached in life as by the obstacles which he has overcome while trying to succeed."*

— Booker T. Washington, *Up From Slavery: An Autobiograph*



## Summary

A lack of communication between customer and contractor can lead from hope to disaster. Here is an example of that happening to a freelancer, a one-man show as a contractor.

<sup>1</sup>Editor's note: This series of articles is by Oliver Lehmann, author of the book "[Project Business Management](#)" (ISBN 9781138197503), published by Auerbach / Taylor & Francis in 2018. See full author profile at the end of this article.

## Entry to the Freelancer's Diary

April 1: This was my lucky day today. I received the confirmation that I will work as the project manager for the DOLPHIN project of Jellyfish, Co. They were impressed of my biography and the experience that I can bring into the project on technical, interpersonal, and organizational level. My help is needed over the entire project lifetime, and my work will be essential to its success.

I will have a team of ten developers, most of them also self-employed freelancers, some may be internals, and Jellyfish will pay me a good rate.

I had 3 months of frustrating searching for a new project, after the end of my last assignment. I am meanwhile running out of cash. The combination of travelling costs and lack of income was devastating for my bank account. But end of next month, it will be able to write an invoice and hope, they will pay it immediately. It feels good to have income again and to be back in project business.

My wife is not happy that I will need to do a lot of travelling, leaving her alone with the kids, and she has a job to do too. However as the travel costs are covered by the customer, and understanding that jobs like this are not easy to find these days, she accepted the deal with gritted teeth.

## Jellyfish—Internal Memo

April 1: Today, we finally took Mr. Smith under contract. He will contribute to the RIGHT FLIPPER work package of the DOLPHIN project. RIGHT FLIPPER is not a mission-critical part of the DOLPHIN project, but it adds to its business value and to its acceptance by important stakeholders. We believe, Mr. Smith's work will be relevant to gain acceptance of the entire project by the requesting departments.

Mr. Smith was second choice. We had two highly capable candidates for the job, but they decided instead to accept competing offers from other companies that were prepared to pay much better. So, Mr. Smith was our last option. At least, choosing him was a budget-friendly decision.

We are uncertain about his technical capabilities, and there is also a question mark on his ability and preparedness to subordinate to a team mission. Therefore, we will need to have a watchful eye on his performance.

He will start working on the tasks next month. He will be paid based on daily rates and work records. He will send his invoices at the end of each month. We have agreed that travel charges will be included.

## Jellyfish—Internal Memo

April 29: I made two phone calls today with Mr. Smith to ensure that he is still with us and has not changed his mind. He confirmed that he is prepared to start in May as agreed. During the further discussions, it became clear that he has not much understanding of what to expect. We will need to brief him in detail during an on-boarding meeting to help him understand his role.

I also recommended him to study our website and social media presences to better understand, who Jellyfish is, and what we do.

It makes me feel uncomfortable that he has not done this already.

## Entry to the Freelancer's Diary

April 30: Tomorrow will be the day to start at Jellyfish. I'm looking forward. Having no assignment is a challenge to the self-esteem of a freelancer, particularly to a freelanced project manager. In the meantime, they called me twice to give me some additional information.

It seems, I have overestimated my position, I will not be the project manager but will take the lead of a work-intensive and difficult work package, whose success will be significant for the whole project.

Well, I have not started working there, yet, and already have the first frustration. Not a good omen, I think.

My wife told me not to be disappointed. She said, what constitutes a project, what is a sub-project, and what a work package finally comes down to the definition of words. Most important is that they pay me my full fee. She may be write. It's nevertheless disappointing.

## Entry to the Freelancer's Diary

May 5: Now that the first days of my work at Jellyfish have passed, I must say that I am deeply impressed of them. On the first day, I was introduced to some important people in the organization including the CEO. Everyone is very friendly and open, and the company truly knows how to make good business. It feels like a kind of honeymoon for me.

I was promised an own desk, a phone and a corporate e-mail address, but haven't got that yet. I already have a big pile of paper, which I somehow managed to cram into a binder that I carry with me all time, together with my laptop PC. I am currently working in a meeting room, which is a problem, when the room is needed for – well – meetings. Then I have to pack

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everything together and find a temporarily empty desk somewhere, from which I must leave when the owner of the desk comes back. Not a good environment for work. I am sure, this is just temporary.

## Entry to the Freelancer's Diary

May 15: Just had a discussion with my wife. Her job is valuable to her, but does not bring us much money, and she can't work full time because she needs to take care for the kids when I am off.

With my first travels for the Jellyfish project, our bank account got even more strained: The company asked me to pay the travel costs from my own pocket beforehand, and then put the costs on my monthly invoice for re-imbursement. With the need to buy expensive airline tickets short-term before the travel date, this already adds up to quite an amount of money, and more is to come until the end of the month. Booking hotels last-minute does also not make them cheaper.

I can still use the credit line from my credit card, however, this is expensive. We need to cut private costs to not run against the credit limits. So, self-cooking for the family instead of restaurant, and cheap fast-food and chocolate bars for me on travels.

I am uncertain about my role in the work package and the entire project. I was promised a mix of internal people and external staff. The internal people are not made available when I need them, because their department managers already assigned them to other tasks, and the external staff has not yet been put under contract. Without a team, how am I expected to do the project for Jellyfish?

I was asked to provide a project schedule (shouldn't it say "work package schedule), but based on what resource availability? Am I expected to bring a magic hat with rabbits to work?

## Jellyfish—Note from Book Keeping

June 16: We have received and checked Mr. Smith's first invoice, which we cannot accept and therefore sent back to him today.

There was an error in the corporate address, and on the taxi receipts he submitted for re-imbursement was no travel start and end noted. He also failed to name the reasons for his travels and who authorized him to do them on company costs. We told him to fix the errors and then resend his invoice.

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It seems, he has never seen our “Guidelines for invoicing and re-imbusement of travel costs” and also not the “Form 18-07-30-CTCC” that we require contractors to use for the clearance of travel costs. We therefore added a copy of each of these documents to our note to him.

We made him aware that the payment term of 2 months begins only after acceptance of his invoice.

## Note by the Freelancer to Jellyfish

June 19:

### Notification of Impediments

Dear customer, I am expected to lead a team to do the LEFT FLIPPER work package for the DOLPHIN project and have done so far all work needed for planning and preparation. Now that I am about to implement the plan, I have no internal or external human resources available. I request you to make the staff available that I need.

Kind regards,

*J.J. Smith*

## Jellyfish—Response to the Notification of Impediments

June 23:

### Re: Notification of Impediments

Dear Mr. Smith

Thank you for the message per June 19.

May we make you aware that the work package for which you were assigned was RIGHT FLIPPER, not LEFT FLIPPER. Please make sure that this confusion will not lead to errors in the performance of the work package.

We understand your concerns and will do our best to make people available for the project as appropriate.

In this context, we like to make you also aware that for the work package, a deadline has been agreed upon by end of September, and that missing the deadline will allow us to delay your final payment and deduct LDs (Liquidated Damages) from it, as described in the contract.

Sincerely,

*Max Murks*

Head of PMO

## Entry to the Freelancer's Diary

June 24: Back from a journey done for the project, I found a note yesterday from Jellyfish, saying that my May invoice has been rejected and sent back. They have a cryptic form for the submission of travel costs, and an even more cryptic guideline document how to use it. Spent half night understanding it and filling it in.

They ask me to name a Jellyfish manager who authorizes my travels. Good point, I have no idea who does that. And the missing information on the taxi receipts – should I add this information by myself? On a valid receipt? And for the future, How do you tell a taxi driver in a foreign language to write that on the receipt? Difficult.

The bridge credit will help us the next weeks, but not for long. Time to bring money home. Just sent the renewed invoice to Jellyfish. They write something about two months payment notice, beginning with their acceptance of my invoice. Anyway, I said clearly in my offer that I expect payment immediately after receipt of invoice.

They ask me to name a Jellyfish manager who authorizes my travels. Good point, I have no such person.

I hope, the payment from Jellyfish will soon arrive. I insist that immediate payment was agreed upon. If I am wrong, things will become very difficult.

## Entry to the Freelancer's Diary

June 24: Just found a second message from Jellyfish regarding my impediment notice, signed by a Mr. Murks, someone I have never met. Need to doublecheck the contract. If they cause the delay by not giving me the promised team, can they penalize me for that? I hope, my wife knows, where it is.

## Jellyfish—Note from Management to the PMO

July 15: Has Mr. Smith accepted our Terms of Business that we use with contractors, when he signed the contract?

## Jellyfish—PMO's Response to Management

July 15: Mr. Smith signed and accepted the terms without reading them and without discussion. Why do you ask?

## Jellyfish—Response from Management

July 15: Mr. Smith just phoned me up, why his June 24 invoice has not been payed yet. I explained to him that our standard payment time is 2 months. If he accepted our payment terms, I consider this matter closed.

May someone please explain to him that this is not an issue that calls for escalation to management? We have our rules, and as a contractor, it is his job to follow them as much as we do as customers.

## Jellyfish—Response to Management

July 15: I will tell him that. I checked with book keeping, his invoice was accepted on June 30, so they are now targeting August 30 for the payment. The money should be in the first days of September on his account.

## Entry to the Freelancer's Diary

July 17: Today, I received a note that my invoice, which includes payment for my work and the outlays of travelling costs will be paid by the end of August. Despite the bridge credit, we are running out of money. I should book another flight and hotel for the project, but my credit card will no more pay for that. How am I expected to do my job for the project, when I have to bring in private money and do not get it back immediately?

I was further told not to escalate such issues. Small issues for Jellyfish, of course, but something driving me and my family into crisis.

The problem with the project team has not become smaller. About four weeks ago, I wrote a complaint to my contacts at Jellyfish, which was then discussed internally. They made some internal people available and try to find additional staff under contract. As far as I can see, the people they offered me are the wrong ones. They are not qualified for the work and have not enough knowledge of the processes at Jellyfish. And one can also sense, they don't like being on the project.

Slowly, I begin to understand why they hired an external project manager for the job.

## Jellyfish—Internal Memo

August 17: Back from vacation, I asked for a status and progress update of the RIGHT FLIPPER work package of the Dolphin project. The project proceeds quite nicely, however the work

package, which was handed down to an external project manager, has almost nothing achieved so far. Asked about it, the project manager, Mr. Smith, pointed to the scarcity of human resources and to the lack of reliability of the bookings, which in his words were often withdrawn short term or during their work. He cites a lack of authority to defend the assignments and the inexistence of management attention.

I believe, he was just a poor selection. He is not doing what he is being paid for.

Beginning of August, he sent us another invoice, which is an affront, given the lack of progress of his work.

Today, he should be on a business journey. Instead, he sits in the office at the desk we finally gave him, claiming that he is not able to finance the trip. He could have told us earlier, and we would have given him a credit.

I strongly recommend to end the relationship with him, pay the invoices per July and August, and discourage him to send another invoice in September for work done in August. Instead, we should ask him to terminate the contract, which allows him to get out of the business without losing face, and allows us to discuss if we want to restart the work or drop the entire thing.

## Entry to the Freelancer's Diary

August 20: I am just coming from a meeting with my contacts at Jellyfish. They proposed me to terminate the contract and be satisfied with payments for my work in June and July. They will no more accept an invoice for the work that I am doing this month, but if I resign from the project, they will drop the LDs for the missed deadline.

My desk has already been given to someone else and my corporate e-mail address is no more functional.

My wife made me aware over the last weekend that I make too many mistakes at home. Cooked some potatoes, all cooking water boiled off, and they were burnt black in the pot. We had to throw them away, overcooked potatoes are poisonous. Add to that the awful smell in the kitchen. I also find myself impatient with my children and my wife and too often unable to listen to their concerns and those of other relatives and friends.

It's the constant flow of payment reminders, angry phone calls from creditors, and the deep red numbers on my bank account that consume my mind. It is getting harder and harder to pay attention to other things that also matter.

I believe, at work, I made similar mistakes.

So, what alternatives do I have?

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## About the Author



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**Oliver F. Lehmann**, MSc, ACE, PMP, is a project management author, consultant, speaker and teacher. In addition, he is the President of the [Project Business Foundation](#), the home association for professionals and organizations involved in cross-corporate projects.

He studied Linguistics, Literature and History at the University of Stuttgart and Project Management at the University of Liverpool, UK, where he holds a Master of Science Degree. Oliver has trained thousands of project managers in Europe, USA and Asia in methodological project management with a focus on certification preparation. In addition, he is a visiting lecturer at the Technical University of Munich.

He has been a member and volunteer at PMI, the Project Management Institute, since 1998, and served as the President of the PMI Southern Germany Chapter from 2013 to 2018. Between 2004 and 2006, he contributed to PMI's *PM Network* magazine, for which he provided a monthly editorial on page 1 called "Launch", analyzing troubled projects around the world.

Oliver believes in three driving forces for personal improvement in project management: formal learning, experience and observations. He resides in Munich, Bavaria, Germany and can be contacted at [oliver@oliverlehmann.com](mailto:oliver@oliverlehmann.com).

Oliver Lehmann is the author of the books:

- "[Situational Project Management: The Dynamics of Success and Failure](#)" (ISBN 9781498722612), published by Auerbach / Taylor & Francis in 2016
- "[Project Business Management](#)" (ISBN 9781138197503), published by Auerbach / Taylor & Francis in 2018.