



## FAQ - Zealancer.nz

### General questions

#### What advantages does Zealancer offer to contractors?

- Through Zealancer, clients come directly to contractors, saving contractors time and money.
- Zealancer provides a highly cost effective and professional alternative to sourcing assignments through agencies.
- Higher average work rate throughout the year, on average 2.2 jobs (50 days each) per contractor per year.
- Assignments are entered into without the need for lengthy contract negotiations (often within a telephone conversation).
- Direct contract between freelancer and client (without intermediate party).
- Free services: [Sample personalised contract](#), sample personalised invoice, [escrow service](#), free telephone advice, [articles](#), news etc.

#### What advantages does Zealancer offer to clients?

- The Zealancer service facilitates a direct contract between client and contractor. This negates the need to use an expensive service of any recruitment agency that charges commissions for the entire duration of the contract (and extensions).
- The client's use of the Zealancer service is free of charge. This offers the client an enormous saving compared to the agency fees of 10-40% for the equivalent service.
- Also no fees on contract extensions or reassignments.
- The transparency of the system allows quick comparison of contractors and fosters a competitive environment to ensure contractors offer their services at the best possible rates.
- Fast search facilities.
- No negotiations about hourly rates as these are stated up front and governed by clear rules of using the system.
- Direct contract between client and freelancer (without intermediate party).
- Free services: [Sample personalised contract](#), sample personalised invoice, [escrow service](#), free telephone advice, [articles](#), news etc.

#### Why are the contractors from Zealancer cheaper than at any agency?

Clients pay optimal rates because the relationship is directly between the contractor and client removing the need for an expensive agent to act as 'broker'. Typically, on a 3 months contract, the Zealancer fee to the client is 1.0% of the contractor's total turnover. This compares very favourably to the fees charged by an agent, of between 10-40%, on the equivalent turnover. Clients are also able to buy better in as they are able to directly compare the contractor's hourly rates against others available in the market at the time. On the other hand, the contractor enjoys a higher utility rate resulting in a net increase in annual income.

The following example (a programmer with 60% work load) shows how utilisation and hourly net income can improve:

<b>Example Calculation</b>	<b>Conventional</b>	<b>With Zealancer</b>
Acquisition expenses (p.a.):	800 hours	100 hours
Time on project (p.a.):	1,200 hours	1,900 hours
<b>Total (p.a.):</b>	<b>2,000 hours</b>	<b>2,000 hours</b>
Hourly rate:	NZD 80.00	NZD 60.00 (-25%)
Gross income (p.a.):	NZD 96,000	NZD 114,000
Acquisition cost:	0 (not considering expenses for travelling, lost time, etc.)	NZD 1,140 (10 introductions)
Net income (p.a.):	NZD 96,000	NZD 112,860
<b>Net hourly rate:</b>	<b>NZD 48</b>	<b>NZD 56 (+ 17.5%)</b>

## What does references in contractor profiles mean?

Contractors can leave names and email addresses of referees with Zealancer. When a client requests an introduction the referee and their contact information will be made available enabling the prospective client to validate skills and past track records. Contractors are able to update their references at any time.

## How realistic are the information on contractors' profiles?

Contractors are motivated to ensure that their profile is up to date and accurate. The flat fee paid by the contractor for each introduction, motivates them to be very accurate in their presentation of their skills and capabilities. Any exaggeration of capabilities would result in increasing unnecessary fees due to low conversion rate of client introductions to active assignments. In addition, complaints from clients would be seriously examined, possibly reducing their quality rating and in extreme cases might result in the removing that contractor's profile from Zealancer' system.

## Who are the contractors listed at Zealancer?

The freelancers listed at Zealancer can be incorporated in different economic forms. Besides freelancers, they could also be sole traders, limited companies, etc.

All listed profiles must however refer to one specific person. Therefore, profiles representing a complete team are allowed, as well as fictional people or interchangeable employees.

Entrepreneurs and temp agencies can offer their own personnel at Zealancer and invoice the clients on the basis of their own calculation. In this case, the name of the actual employee must be entered during registration, while the address and account data of the company must be entered. In the registration entry form, please enter the following at "additional information": "The company xxx (contact person Mrs. yyy) accepts the billing for its registered employee towards Zealancer and towards the client. In the publicly visible Zealancer profile, the indirect billing is indicated by additional hint like "management and billing this 'freelancer' is provided via a personnel service providers in New Zealand at no additional costs."

## How does the introduction process work exactly?

- 1st The client chooses the most appropriate contractor on our website.
- 2nd The client requests an introduction by entering his contact information and project details on the webpage.
- 3rd Zealancer checks the request for formal correctness and sends an introduction email to both client and contractor. Also, an additional SMS notification is sent to both parties informing them about the introduction request and providing contact details.
- 4th Client and contractor contact each other and discuss details of the potential assignment. This initial contact should not take more than one hour and must not be charged by the contractor.
- 5th If both parties agree, the client hires the contractor directly. If no separate agreement is stipulated, the terms and conditions of Zealancer apply. The parties may choose to use our sample contract.
- 6th Zealancer charges the contractor an introduction fee of twice the contractor's hourly rates. This introduction fee is charged regardless the introduction results in an assignment or not. In case of an unprofessional client that does not have a genuine requirement (no real need), the contractor must contact us within 14 days in writing and the introduction fee will be waived. The client might be banned from further use of Zealancer services.
- 7th Client and contractor might contact each other again at any time later and start new or follow-up assignments. Since Zealancer charges only a one-off fee, no further fees arise for follow-up assignments between contractor and client.

## Why are clients only permitted to be introduced to one contractor per project task?

The clarity of the contractor's published profile stating hourly rates, skills and capabilities allows clients to look through available candidates and select the most appropriate contractor for the required task. Therefore, there is no need for the client to interview a larger number of contractors saving time and money for both client and contractor. Our introduction statistics prove the success of this procedure:

- 78% of all clients ask for an introduction to one contractor only, 17% request introductions to two contractors.
- Only 5% of the clients wish to be introduced to three or more contractors. In this case, only the first selected will be introduced.
- 37% of our introductions result in active projects - significantly more than other introduction approaches.

Should the client find that the nominated contractor is not suitable, then, they are free to select another one for introduction.

If you wish to be introduced to more than one contractor, we can offer you, however, that you pay the

introduction fee on behalf of the contractors. In this case please write in the project description: 'I wish to be introduced to more than one contractor per project task and will pay the introduction fee of two hourly rates on behalf of the contractor.'

## Why are contracting agencies and recruitment companies banned from Zealancer?

The purpose of Zealancer' service is to facilitate a direct contract between clients and contractors. Historically, less than 10% of agency introductions result in work for the contractor which is far below the 37% success rate normally enjoyed on Zealancer. Accordingly, contractors who pay for the introduction, prefer not to be introduced to contracting agencies. If the contract agency is serious about the introduction request, they may put in a request and nominate to pay the introduction fee on the contractor's behalf.

## How do I determine the quality of a contractor?

When viewing the contractor profiles you will see a rating from one to three yellow stars. The star rating is based on feedback clients provide on the quality of work undertaken by the contractor, as the freelancer's business conduct towards Zealancer (reaction speed, payment behaviour, ...). Also the quality and completeness of the freelancer profile are taken into account when awarding the stars. For example, the existence of a portrait photo, a work sample or if reference donors are listed can determine whether a freelancer has two or three stars.

While most of our contractors have a rating with two stars, only our best 15 percent have a top-rating with three stars. As the stars are constantly recalculated, they reflect the most current contractor rating.

## How does a client provide contractor feedback?

Clients can send us an email to [info@zealancer.nz](mailto:info@zealancer.nz) with their feedback, which will be visible on the contractors profile. Their comments can acknowledge or reward good work, but can also motivate weaker contractors to produce better quality work. It also helps other clients in their evaluation of contractors for their projects. Feedbacks should be succinct limiting it to one or two sentences, for example: "Quick in understanding complex tasks and highly creative and effective in solving problems."

## What are the underlying economic principles on which Zealancer is based?

The business model utilised by Zealancer has been developed by [Freelance-Market.de](https://www.freelance-market.de) in Germany in collaboration with Prof. Reinhard Selten, Nobel Prize winner of Economics. It is based on the principles of a completely transparent market place where both contractors and clients have a comprehensive market overview ensuring optimum competitive pricing strategies. As both the profile and hourly rates of all contractors are known, supply and demand pressures ensure that participants make the best market pricing decisions. This is completely in compliance with the game theory as predicted by Prof. Selten. Accordingly, specialist contractors in short supply can demand optimal rates whereas contractors with skills that are more commonly available will need to be more competitive in pricing their services.

## How does the escrow service work?

Maybe contractor and client are working together for the first time and not sure who should carry the financial risk, either:

- a) The contractor first completes (a part) of the project, but runs the risk that the client may not pay, or
- b) The client pays first, without knowing whether the contractor will ever deliver an acceptable result.

An alternative offered by Zealancer is an escrow service. It is easy to use without requiring advance notification:

- 1st Before begin to work on a project, the two parties agree on the deposit amount.
- 2nd The client transfers the appropriate amount to our bank account (010530 - 0233696 - 00) with "Trust deposit of A. Smith for contractor B. Miller" as reference.
- 3rd Zealancer informs both parties that the money has arrived on our account.
- 4th Once the project is completed, the client informs us and Zealancer transfers the amount to the contractor.
- 5th In the very rare case that client and contractor cannot agree, both parties might clarify the payment via arbitration or through the court. Zealancer will then transfer the amount according to the arbitration or court's decision.

There are no fees for using our escrow service. No interest is paid on the deposited amount.

## How can I become a licensee of Freelance-Market?

To expand beyond our current operations, we are constantly looking for motivated, market driven entrepreneurs to operate Freelance-Market as our licensees. This way, we are currently operating freelance-market in Germany, Austria, Switzerland, Australia, the Czech Republic, China and New Zealand.

Please go to [www.freelance-market.com](http://www.freelance-market.com) to find-out how you can become a licensee in your country or industry segment.

## Questions for contractors

### What benefits do contractors enjoy with Zealancer?

By registering with Zealancer you are empowered to enter into a direct contract with clients without the need of an expensive recruitment agent to broker the introduction. Our clients reach contractors by requesting an introduction. The introduction fees are twice the contractor's rate and on average amount to approximately only 1% of the total revenue generated by the contractor. This offers significant savings compared to 10 - 40% commission charged by agencies. The average contractor:

- Receives 6 introductions to new clients per year.
- 37% of those introductions turn into an assignment.
- 30% of all assignments leading to follow-up orders.
- The average project duration is 50 man-days.

(Calculation based on our regular user survey. Data vary depending on specialisation, experience and reliability of the contractor.)

### Why do freelancers pay for registration?

- For registration as a freelancer at Zealancer a nominal fee of twice the hourly rate will be charged. Calculation example: A freelancer with an hourly rate of \$40 will be charged a registration fee of \$80 + GST.
- The registration fee ensures that only professional freelancers are listed. This way, we limit the number of freelancers, which increases the likelihood of a project for the listed freelancers.
- If you do not get an introduction from us within 12 months, we are happy to refund the registration fee immediately.

P.S. Since we manually edit and optimise each profile, the registration fee is done below cost. Freelance-Market generates about 90% of its revenues through the introduction fee, which is only charged if we actually introduce the freelancer to a client.

## Will I lose money if I do not get any introductions?

On average a contractor receives about 6 introductions per year (the frequency depends on the particular profile). In the profiles of each contractor you can see directly how many times they were introduced.

Even if contractors are never introduced to a client, they are not subject to a financial risk, because we do not charge any monthly fees (we only charge per introduction).

Also the one-off registration fee should not be a bad investment for our contractors: If you do not get an introduction from us within 12 months, we are happy to refund the registration fee immediately.

## How can I view, update, pause or delete my Zealancer profile?

- Under [www.zealancer.nz/registration/](http://www.zealancer.nz/registration/) you can logon with your contractor number and password. Then you are able to review your profile including all of your previous introductions and update any information. If you forgot your password, you can request a new one there.
- Alternatively, you can email us at [info@zealancer.nz](mailto:info@zealancer.nz) and we are emailing your profile data. Also you can then send us an email containing your update requests.
- To see how your public contractor profile appears, simply enter your contractor number in the section named 'Find a contractor' (top left of the web page).
- If you wish to deactivate your contractor profile, please send to us an email with the request for deactivation. We then will immediately remove your profile from our listing. N. B.: In many cases it might be better for you to pause your profile. If you decide to de-pause your profile after some time you can do so free of charge.

Please keep us up-to-date of your availability, changed skills and changes of your contact information. If you are working and temporarily unavailable then simply 'pause' your entry until you are ready to start looking for your next contract or assignment. Update, suspension or deactivation of your profile is free of charge.

## What should I do, if I am temporarily unavailable?

From time to time you might not be available for new clients. To ensure you do not get billed unnecessarily and we do not disappoint any of our clients it is important that you "pause" your profile. That can be done easily by sending a brief email to [info@zealancer.nz](mailto:info@zealancer.nz) and we "pause" your profile until you are noting us being ready to receive introductions again.

## How can I ensure I only get introductions which are relevant to my profile?

Under the caption "Miscellaneous" in your profile you find the opportunity to make statements concerning the kind of projects you would undertake. By using this facility, you can ensure that clients have a clear idea of your constraints and the areas you are interested in. Examples of statements under "Miscellaneous": "Only projects of at least 3 months duration", "Up to 20 hours a week only" or "Will only work in CBD or North Auckland area".

## How can I make my freelancer profile more successful?

In addition to the popularity of the service offered and the hourly rate, the content of your freelancer profile has a significant influence on your frequency of introductions. By the following measures, freelancers were able to increase their number of introductions up to tenfold:

- 1) Portrait photo: Freelancers with portrait pictures are requested twice as often. Even an average photo is still better than none.
- 2) Provide references: If your previous customers are willing to provide information about your services, you can enter their contact details in your profile. In your profile, the number of your reference providers are displayed for all to see. The contact details of the reference providers are of course not publicly visible, but are only communicated to the customer in the case of an project introduction.
- 3) Detailed profile information: Provide detailed and specific information on your areas of focus, experience and additional skills. Emphasize your very specific skills. No one would choose a graphic artist specializing in architectural visualization who only writes 'Making beautiful graphics'.
- 4) Work sample: You can add a work sample to your profile to convince customers about your work quality and work style. For example, graphic designers often upload brochures, copywriters present their most demanding texts, coaches present videos of their work and mechanical engineers show their complex design plans.
- 5) Positive customer reviews: Positive and negative feedback from customers is displayed in the freelancer profile. Convince your customers with the highest level of professionalism and invite them to give us feedback.
- 6) A final tip: Please compare your profile with the profiles of particularly frequently introduced freelancers in your category.

To change your profile, please send us an email or log-in via <https://www.zealancer.nz/login>.

## Can one contractor be listed in several categories?

Contractors can register several times, if completely different services are offered (e.g. programming and graphic design). We recommend contractors register according to their main skill. However, if contractors want to register under a second category, we allow contractors to create more than one profile. When registering, please write in the "Additional Information" field "Registration of second profile

- no registration fee".

## Why must all contractor profiles be provided with an hourly rate?

Contractors are required to clearly state their hourly rate for their services. This approach ensures included acceptance of that rate by the client removing the necessity for time consuming price negotiations. The transparent nature of Zealancer ensures competitive pricing whilst providing clients with an easy-to-use mechanism of comparing contractor rates.

The hourly rate is therefore binding, i.e. contractors are committed towards their client by this hourly rate. The hourly rate is specified as a net amount (excluding GST) and without travel costs / expenses.

If a contractor has different hourly rates for different tasks, the highest hourly rate must be specified in the profile. Situations where a lower hourly rate is charged can be described in the profile in the 'miscellaneous'-section. E. g.: 20% lower hourly rate for projects over 100 hours. The introduction fee which we charge to you will always be calculated on the basis of the hourly rate that is published in your freelancer profile, independently if you actually charge a different rate to your client.

Other payment models that a client could choose from can also be described in 'miscellaneous'-section. E. g.: Alternatively, the payment can be based on a 10% sales commission.

## Should I put my picture on my profile?

It is your choice whether you submit a picture for display on your profile. It is our view that a picture improves your chances of an introduction as the client has a better first impression of you.

When you sign up as a contractor you will be asked if you wish to upload your picture. Contractors who are already registered can send us their picture by email and we will update their profile on their behalf.

## How does the free-of-charge Internet page for contractors work?

[www.zealancer.nz/website/john-example](http://www.zealancer.nz/website/john-example) shows an example of a free-of-charge Internet page, which Zealancer can create additionally to your contractor profile. As this page does not contain obvious hints towards Zealancer, so you can use it for your own marketing purposes (if you do not have your own Internet site).

P. S.: Please let us know if you do not want your own Internet page and we will switch it off immediately.

## How do I create a guest post for the Zealancer-News?

Registered freelancers are welcome to submit a guest post for our monthly Zealancer-Newsletter, in order to inform the customer about their service. To be successful, we recommend the following:

- Focus on topics which are interesting and relevant for our readers. You can, for example, give valuable tips from your special field, write about a very unusual assignment, or you show how you could solve a special challenge in an elegant way.



Pure self-presentations of your skills do not fit into a newsletter. Such things can be read already in your Zealancer profile.

- The article should not be longer than 20 sentences.
- For your reference have a look at previous articles submitted by our freelancers at [www.zealancer.nz/news](http://www.zealancer.nz/news).
- Please send your article to [info@zealancer.nz](mailto:info@zealancer.nz). We will publish it free of charge in our email newsletter and at [www.zealancer.nz/news](http://www.zealancer.nz/news).

## Which companies use our freelancers?

The freelancers are requested from companies of all sizes - from a one person business to large corporates. Examples of companies using the services of the Zealancer-group are:

ABB, Allianz, American Apparel, American Express, AXA, Bosch, Dassault Systemes, Denso Automotive, DuPont, Fresenius, Fujitsu, IDG Media, Jaycar, LCC Telecom, McDonald's, NTT, NZL-Group, Philip Morris, Renault, Siemens, SLS, Toyota, Volkswagen.

## Which contractors receive most introductions?

An average contractor receives 6 introductions per year. Contractors who take the time to ensure a clear and accurate profile and who have priced themselves aggressively against the market, however, can receive an introduction a week.

## What can contractors do to improve their introduction rate?

Average Zealancer contractors receives approximately six introductions per year. The introduction frequency depends on various factors including but not limited to qualification, expressiveness and clarity of the profile, hourly rate and offered services. While some contractors are introduced once a week, there are others who are requested less than once a year.

To get the right number of relevant introductions for you, make sure you follow these hints:

- 1st Improve the distinctiveness of your contractor profile and point your singularity out. Look closely at your profile and compare it with the profiles of other contractors in your area:
  - Emphasise your specific skills and experiences.
  - Distinguish yourself from the offerings of other contractors.
  - Do not use acronyms and terminology that are only understandable by experts - many clients seek experts for certain tasks and are not necessarily familiar with internal terms.
  - State your capabilities in a clear and neutral way, avoid phrases that are unclear and sound like selling propositions.
- 2nd Be more specific if you want to receive fewer introductions. Represent your skills more broadly to be introduced more often.
- 3rd Limit your profile in order to receive more relevant introductions. For example, 'Miscellaneous: Only projects that exceed 20 hours'. Expand your profile (e.g. work locations) to be introduced more often
- 4th If you have several different skills, you can create more than one profile on Zealancer, e.g. as

translator and as financial expert.

5th Increase or reduce your hourly rate. A reduction of 20% typically results in doubling your requests.

6th If you are currently not available for work, it is important that you temporarily "pause" your profile.

7th You can write an article for the monthly Zealancer newsletter to promote your special service.

All profile changes are -of course- free of charge. Just send an email to [info@zealancer.nz](mailto:info@zealancer.nz) .

## Are all client introductions genuine?

Despite our best efforts to filter our clients' requests, we cannot always prevent unprofessional clients from using Zealancer. Should you experience an introduction to an unprofessional client, we ask you to inform us. According to our latest survey, 87% of our contractors were satisfied with the introductions they received. Only through your feedback, we are able to monitor the calibre of our requesting clients.

## How does Zealancer find contracts for the registered freelancers?

Zealancer puts a high effort into finding potential clients for our freelancers. By the following measures, we manage to attract several thousand interested visitors a day to our Internet market place:

- Cooperation agreements with industry associations and professional organisations
- PR towards the business press and trade journals
- Communication in Internet portals and web communities, such as Facebook and Wikipedia
- Direct communication with decision makers in HR and procurement departments
- Advertising in print media and on the Internet, such as Chamber of Commerce Magazine, Google and Yahoo
- Listings in Internet search engines (many top positions in Google)
- Monthly Zealancer newsletter
- Links from several thousand other portals and web pages
- Presence at trade fairs and conferences.
- Care and support for our customers (a large portion of our new customers come from personal recommendations).

## Why does Zealancer charge contractors a flat-rate introduction fee instead of sales commissions?

A flat-rate introduction fee is far cheaper for the contractor. Removing the need of ongoing checks and accounting saves time and money that Zealancer forwards to its contractors, that is a direct consequence of Zealancer' transparent business model. The fees charged by Zealancer represent only 1.0% of the total income generated by introductions. This is much less than 10 - 40% ongoing sales commissions charged by agencies over the entire duration of projects (including extensions).

The flat-rate fee per introduction has some clear advantages:

- There is no need for ongoing reporting in order to calculate monthly invoices.
- Contractors' expenses in finding the contracts remain low. According to our surveys, 37% of all introductions lead to an assignment\* (i.e. on average, contractors investment accumulate to approximately 5 hours per new client).

- Relationships between clients and contractors are totally under their control, no need to report or cheat.
- Accurate and realistic contractor profiles. As the contractor pays the introduction fee, they are motivated to ensure that the information provided in the profile is accurate and realistic. Profiles that are overstated or inaccurate would result in the contractor paying unnecessary introduction fees.

\*: Average conversion rate. Our most professional freelancers get up to 80%.

## Why do contractors have to pay for introductions that do not result in work?

The fee charged by Zealancer is for provisioning of qualified introductions to clients who are looking for skilled contractors. It is up to the contractor to make the most of that introduction. The most successful contractors have been able to clearly articulate what they do best in their profile and have offered their services at a competitive and realistic rate.

Historic analyses have figured out that on average 37% of all the introductions result in active assignments\*. This approach offers the contractor a much higher level of success than other acquisition approaches such as going through agencies, direct tenders or self-acquisition. Still, 63% of all introductions do not result in an assignment. Our research however indicates contractors requires 2.7 introductions average for new assignments. This means, on average, contractors pay fees of about 5 times their hourly rates in order to get assignments.

The introduction of professional contractors to clients has proven to be a very efficient approach which:

- Offers professional contractors an effective marketing medium that supports contractors to find contracts.
- Clients and contractors form a direct relationship dropping the need to constantly keep us informed.
- There is no incentive to be dishonest or to conceal projects.
- Contractors with clear and realistic profiles as well as competitive hourly rates are rewarded as they have a higher conversion rate from introduction to assignment. As a consequence, they proportionately pay lower overall fees per contract.
- The introduction fee is only twice the hourly rate what turn out to be only 1% of the average total revenue generated from the assignment. This is far more cost effective than comparable commission based fee schemes.

\*: Average conversion rate. Our most professional freelancers get up to 80%.

## How do I avoid spiralling costs if I get contacted several times a week?

Our most active contractors receive up to 4 introductions a month. On average freelancers on Zealancer get introduced only 6 times a year. In case you receive to many introductions you can pause your profile at any time. Further on we promise to bill you no more than just one introduction a week.

## What is happening if I am introduced to a client that has no intention to proceed?

Zealancer makes a serious effort to ensure all introductions are to genuine clients only and review each request for legitimacy and relevance. We also limit our introductions to no more than one contractor per project thereby ensuring that the client selects the most appropriate candidates for the task. If however, you are introduced to a client without a real project need then you will not be required to pay the introduction fee.

A non-genuine request might consist of one of the following situations:

- a) Despite several attempts the client could not be reached.
- b) The client requested an introduction even though there was no real need or intent to appoint a contractor at that time. For example this would be the case if the client never had a real budget for the project.
- c) The client is not an 'end customer' but a project broker.
- d) The requirements of the client differ significantly from your Zealancer profile.

If one of those circumstances exists, you must inform us within 14 days. The introduction fee will then be cancelled, and we might bar the client from further activity via Zealancer.

### **Must freelancers also pay for follow-up projects?**

There are no sales commissions. Besides the unique introduction fee of twice the hourly rates there will be no additional costs.

You do not need to report your revenues and repeat business. Not even in case of project extensions, follow-up projects, long-term projects or moving into permanent employment.