

Going it alone

Independent consultants are in big demand, but is it right path for you?

By [Andrea Coombes](#), MarketWatch

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SAN FRANCISCO (MarketWatch) -- Now's a good time to jump into self-employment as an independent consultant -- at least for some professions.

In the ongoing effort to comply with laws such as Sarbanes-Oxley and the health-privacy act known as HIPAA, companies increasingly turn to independent contractors. Plus, companies now see independent pros as a way to fill in talent gaps in their own organizations.

For instance, firms will hire a consultant to get a project off the ground, and then turn over the project's maintenance to salaried workers. Companies are "buying talent for special projects," said Robert Morgan, chief operating officer of Hudson Talent Management, a unit of Hudson Highland Group Inc., a recruiting and consulting firm in New York. Morgan is in Chicago.

"We've seen a growth in independent professionals ... in finance and accounting, in legal, in human resources," Morgan said.

Increased demand can mean higher pay. While one-third of finance professionals say a flexible schedule is the main appeal of a consulting career, 27% said attractive compensation is the top lure, up from 13% who said that in 2000, according to a recent survey for Robert Half Management Resources.

"Demand is high, therefore consultants are commanding higher pay," said Paul McDonald, executive director of the firm, a division of Robert Half International, the staffing company in Menlo Park, Calif.

Hot jobs

Accountants, finance experts and IT pros are in high demand, experts said. Also, company boards of directors are seeking independent consultants for advice on compensation practices, market research and business strategies, says Stephen Mader, a vice chairman at Christian & Timbers, the executive search firm in New York. Mader is in Boston.

Meanwhile, U.S. firms are struggling to fill positions for sales representatives, engineers, health-care specialties, information technologists and accountants, according to a recent survey of 1,300 companies by Manpower, the staffing firm in Milwaukee.

And computer programmers, Web site developers and graphic designers are much sought after at Guru.com, said Inder Guglani, chief executive officer at the firm, which connects freelancers with companies.

Not all roses

Still, contract work is not for everyone. While many independent pros embrace setting their own hours and choosing which projects to accept, they also point to downsides such as erratic paychecks and lack of paid vacation time, according to a Hudson survey of independent contractors last year.

For some, steep health-care costs kill the deal. "I'm seeing people turning in their 1099 badge" in favor of full-time salaries and benefits, said Sean Ebner, regional vice president of professional services at Spherion Corp., a recruiting and staffing company in Fort Lauderdale, Fla. Ebner is in Phoenix.

Time to jump?

Consider the following questions before making the jump to free agent:

- Are the skills you possess in demand, and do you have the experience companies will seek? Professionals with five to seven years of experience are in greater demand, experts said.
- Can you handle erratic paychecks?
- How will you pay for health insurance, and fund retirement?
- Are you able to market yourself, even as you work on projects? "You've got to strike the right balance between when this job is over, have I sold myself to another job?" Morgan said.
- Can you pay for the liability insurance some companies may require?
- Do you have financial security for soft spells?
- Do you like working independently? "It may sound really interesting and fun to set your own direction, but you may be miserable doing that," Morgan said. ■

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