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Wanted: one contract at a time

More professionals are choosing to become hired guns, giving up the security of full-time work for greater control over their lives

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Emily Nakai spent 15 years working her way up the corporate ranks to land what seemed a prized job, as controller of International Aqua Foods Ltd., a Vancouver fish-farming conglomerate.

But after reaching that pinnacle, she felt caught in a role that would perpetually require her to work long hours doing repetitive tasks. "I felt frustrated and wanted more variety and flexibility," Ms. Nakai, 42, says.

So, in 2002, the certified management accountant left the security of full-time employment to become a "hired gun," doing project work for companies on contracts that have ranged from four months to a year, arranged through Vancouver-based staffing firm Mercer Bradley Inc.

Having broken the bonds of permanent employment, "I haven't looked back," she says. "I discovered how rewarding it can be to be my own boss on contract."

She's not alone.

Companies that act as agents for contract professionals in a wide range of fields report growth of 10 to 25 per cent a year in the number of specialists they place on contracts.

And the range of specialties in which professionals work entirely on contract has expanded beyond the traditional area of sales to include accounting, information technology, engineering and law.

The market for contract consulting is expected to grow 5.5 per cent a year through 2010, according to a projection last year by the Canadian Association of Management Consultants. The biggest areas of demand: IT, business services, operations, human resources and strategic planning.

Opting to work on contract may seem counterintuitive at a time when professionals in most parts of the country have their pick of full-time jobs. Statistics Canada reported this month that employment rates are at a 33-year high, and that the number of full-time jobs in Canada is growing faster than the number of workers available to fill them.

So why are more people choosing the seeming uncertainty of working on contracts?

"These people are saying that they are getting burned out working 50, 60 or 70 hours a week at their job, and they want to have greater control of their work and hours," says Danley Yip, division director of Robert Half Management Resources in Vancouver, which places senior-level finance and accounting professionals.

In the process, contract workers find they can raise their income, Mr. Yip adds. Salaried jobs often don't pay extra for overtime, but on contract, "you get paid for every single hour you work."

Working on contract can also be a hedge against economic uncertainty, says Christopher Drummond, vice-president of marketing for Toronto-based Sapphire Technologies Canada, formerly CNC Global Ltd., an agency for IT specialists.

"We've seen people gravitating toward contract work because there is demand for their skills no matter which way the market moves," Mr. Drummond says. "When the economy is good and there is a shortage of skilled IT workers, companies turn to contract staff for extra help turning around projects quickly. If the economy slumps, employers are more willing to take people on for short contracts than they are to commit to a full-time staff position."

The trend also reflects an increasingly competitive global economy, adds Anne Bell, regional director for Canada of Resources Global Professionals, which places contract employees in finance and accounting .

"Companies are increasingly doing things on the basis of short-term projects, and they would rather hire a specialist on contract than have a generalist on staff," she says.

Contract work appeals to a certain type of personality, Ms. Bell says. "It attracts people who are self-starters and can work independently."

On post-contract evaluations, professionals often say they find it exhilarating to take on new challenges, see a task through to completion, and then move on.

They also appreciate the ability to balance work with their personal life by taking time off between contracts.

The ability to escape the bureaucracy and office politics is also a huge plus, says Ann Hartshorn, marketing manager for Brampton, Ont.-based Pro Pharma Contract Selling Services Inc., which places drug-company representatives. "A lot of sales people don't like the structure and reporting required to be on staff. They prefer being in the field with customers all the time, rather than having to report to an office."

Ms. Hartshorn says many younger people are attracted to the independence and flexibility; the average age of Pro Pharma's contract sales stable across Canada is 37.

However, contract work is also an opportunity for older salespeople -often the first to be laid off in the pharmaceutical industry, she says. But on contract, companies aren't concerned about age,

only performance, and more veteran salespeople have built contacts and developed techniques that often make them top performers, she says.

In all fields, a strong appeal of contract work is the bottom line. "People join us for lifestyle, but they stay because they are able to make a very good salary for working less than they might if they are working full-time at a law firm," says Rubson Ho, a founder and partner of Cognition LLP in Toronto, which was formed in 2006 to place lawyers on contract.

Mr. Ho got into contract work himself after a career stumble. In 1998, he left his position as a securities lawyer with Stikeman Elliott LLP to become legal officer for a startup technology company that went bankrupt in 2002.

After that, "I started working as a consultant and found there were a lot of small and medium-sized companies that have budget restraints and would rather hire a lawyer on contract than have someone on staff." He decided there was enough of a market to set up a company to market the services of lawyers on contract.

Cognition now has 16 lawyers, most of whom have a decade or more of experience with a big law firm, on contract and servicing more than 100 corporate clients.

"We prefer people who have experience because, on contract, the lawyers have to hit the ground running and understand the needs of the client," Mr. Ho says. "And because we work with multiple clients, they find they enjoy the variety of work more because, with a single employer, you tend to do the same things repetitively."

The lawyers say they are happy with professional development that contract work provides, and not one would go back to a firm, he says.

However, contract employment isn't always a one-way street. Robert Half's Mr. Yip says he has seen several people use contract work as a "test run" to see whether a workplace might be a good place to stay permanently.

Cate Wilson, 46, is an example. After seven years on accounting contracts ranging from four months to two years, she found a permanent home again last November, when she took a full-time job as capital budget co-ordinator for the City of Edmonton. Before becoming a contractor in 2000, she had spent 17 years as a chartered accountant for Ernst & Young in Edmonton.

"I really missed the relationships with people that you have with a full-time job. If you find a good team, you really want to stay with them. You never feel you are part of the organization but that you are going to hand off the work you do and then be gone."

The pace of life on contract can be frustrating, Ms. Wilson says. "When you are on contract, there are some real down times when you are waiting for others to get back to you" with material needed to do a job that you might already have if you were working regularly with the company.

At her new job, "there is never a down moment and there is always something you could be working on, and that makes the day go really quickly."

There was one other thing she didn't enjoy while on contract: "Some of the work could be really monotonous. That's one of the reasons it is farmed out."

On the contrary, contract work can offer the perfect cure for monotony, Ms. Nakai, the Vancouver accountant, says: "If an employer is rigid or the product isn't interesting, I don't have to work for them. I can move on."

More often than not, she finds the work rewarding. "Because it's specific and has a tight deadline, you are there for a reason, and employers always appreciate what I do for them. I get a buzz from that."

CLOSEUP: FOR HIRE

Making the choice: the pros, cons and reasons for working on contract

ANJALI BANKA, 31,

Toronto

Position: Lawyer

Working on contract since: 2005

LAST FULL-TIME JOB

Corporate associate,

Stikeman Elliott LLP

REASON FOR THE SWITCH

"It is a difficult lifestyle being with a law firm. I never felt I was in charge of my life. There were times when I was required to work 36 hours at a stretch, and I could never plan on having an evening or weekend free." Ms. Banka says she felt so trapped, she considered leaving law.

HOW SHE DOES IT

She joined a pool of free-agent lawyers with Cognition LLP in Toronto. She has since done legal work on short-term projects for eight companies.

ADVANTAGES

Through the great variety, it's a good learning experience, she says. As well, she can generally decide when she wants to work and for how long. "I'm making just as much as I would have been making with a firm, but I feel much more in control of my own time."

DRAWBACKS

The work is less high-profile than what she was involved with at a big firm.

She also can't call on help from other lawyers or clerks. Being self-employed, she has to do a lot of administrative filing and record-keeping that would have been handled at a firm.

She also doesn't get any employer benefits and has to arrange insurance and her own pension plan.

Now expecting her first child in May, she expects to take only a three-month maternity leave instead of the year she would be entitled to as an employee. However, she hopes to be able to arrange contracts that allow her to work from home.

ADVICE

Think of it as an opportunity to expand your horizons. "It's kind of like having my own practice. It's very liberating."

*****SAMANTHA GEEN**, 50,

Burlington, Ont.

Position: Pharmaceutical detailer

Working on contract since: 1998

LAST FULL-TIME JOB

Sales rep for medical equipment company J.W. Westman Inc.

REASON FOR THE SWITCH

She wanted to escape the hidebound corporate world. "I found companies didn't want people on staff to be creative. They want you to walk and talk like the other people in the organization."

HOW SHE DOES IT

Through Pro Pharma Contract Selling Services, Ms. Geen is assigned on one-year contracts as a pharmaceutical products detailer - somebody who pitches drugs to doctors. To see doctors

quickly, she will take a coffee cart loaded with homemade cookies: "That makes me the friend of the receptionist and gets me in the door immediately."

ADVANTAGES

She loves the variety: Each contract is with a new employer with different products to represent. She finds clients more willing to hear her presentations now than when she was selling the same things year after year. "And if I'm efficient and finish my calls early, I can take the rest of the day off, rather than having to check in with the office." There's also a financial advantage: More of what she makes stays in her pocket. "Even with the taxes you have to pay as a small business, it's nothing compared to what taxes as an employee take out of your paycheque."

DRAWBACKS

Uncertainty; you could be left without income if you can't get a new contract immediately after the previous contract runs out, she says. And there is no safety net. As an independent contractor, a lost day because of weather or illness means you don't make anything for the day.

ADVICE

"Being a contractor lets you break free of the corporate mould, so be creative and develop a style that is uniquely yours."

JACOB STEINBERG, 58

Toronto

Position: Accountant

Working on contract since: 2002

LAST FULL-TIME JOB

Director of customer finance, Nortel Networks Corp. in Brampton, Ont.

REASON FOR SWITCH

To stay home to look after his children, one who was ill with a kidney infection and another who required several rounds of plastic surgery to reshape a cleft palate. Coincidentally, his wife needed care because she had been injured in a car accident.

HOW HE DOES IT

Known in his industry, he was offered a two-month contract in financial analysis through Resources Global Professionals in Toronto. "I took it because I could work on my own hours and terms, and it meant I could take a break if I needed it. From then on, there was no way I would go back to full-time work." He has since worked on seven contracts in financial management, most starting at three months but all of them extended by another three to six months, and, in one instance, to 14 months.

ADVANTAGES

"Every contract has been in different companies and in different areas. I've found it fascinating." As well, he likes that he can specify how many hours a week he works, which gives him flexibility to be at home, if necessary.

DRAWBACKS

"It is hard to make personal plans in advance, because you don't want to schedule a vacation or look for a new job until you finish the current contract," Mr. Steinberg says. There can also be gaps between contracts although, in most cases, he has been offered another one within a few weeks of the end of a previous one.

ADVICE

Make the contracts work for you. "I like to travel and this has given me a chance to find employers that require me to travel." Two have included overseas travel. Last year, for instance, he spent two months in Surinam, on a contract project for a Dutch gold mining company. "Now that my family is healthy, I am looking forward to taking them along on a future trip."

Is contract work for you?

Ready to make the move? Here are questions to consider:

ARE YOU EXPERIENCED?

You have to dive right in and tackle a job with little orientation or support.

ARE YOU A SELF-STARTER?

Contracting is no life for someone who likes to shirk responsibility.

CAN YOU HANDLE UNCERTAINTY? Change will be constant.

HOW'S YOUR BANK BALANCE? There can be weeks between contracts without work or pay.

ARE YOU MOBILE?

You'll be expected to go where the work is.

WHAT ABOUT BENEFITS?

You're on your own.

ARE YOU ORGANIZED?

Being self-employed means more recordkeeping, maybe not even a desk or administrative help.

DO YOU EXPECT RESPECT?

You may have been a senior executive in your former life, but suddenly, you turn into an unknown commodity.

HOW'S YOUR NETWORK?

You'll need a broad range of friends, colleagues and associates to spread the word about your availability and offer advice and support.

WHAT DO THEY EXPECT?

It's ever-changing with the job, so you'll need a written contract to outline what you are expected to achieve and how much you will be paid.

Sources: Rubson Ho, Cognition LLP; Ken Davies, chairman of the Canadian Association of Management Consultants