



Thoughts on pricing for graphic designers

These notes are a response from an experienced designer running a small company to an enquiry from a fairly new starter. The enquirer was proposing to have a menu or matrix of set prices for different kinds of design jobs, and to always offer three (or more) design ideas to an intending client, and was asking for advice on pricing.

What's your set up – do you work from home or have you got an office? How have you set your main hourly rate? Have you done it by looking at your overheads and your likely chargeable hours per week and then how many weeks you are likely to work?

We don't publish a matrix or menu of prices for types of job to potential clients. It is potentially confusing for clients (with too much detail) and also ties you into specific rates and lessens your flexibility

In my experience the simpler your costing and pricing systems the better. Its rare to be able to adjust rates up and down by very much for different clients and if can do it is much better to do it by job cost/value rather than rate adjustment.

So what we do is set a robust hourly rate that we need to make a reasonable profit. This is as indicated above based on overheads and the likely available chargeable hours in a year.

We don't fix prices for job types in advance – we do have a built up experience of roughly how much time each type will take but it is too restricting to tie that down.

We have our preferred rate and then look at what time we think the job will take. Some flexibility comes in here and you can adjust time spent according to how you think it will go and your assessment of what the job needs.

We never promise or suggest that three ideas are always going to be offered.

This comes down to how you want to develop your business. By publishing or using a fixed price matrix and by always offering three ideas you are starting down the road of putting yourself on the back foot with clients. The design business is already very commodified (lots of design companies and a market place where design is seen as something you can get anywhere) so to compete on price while also effectively saying to clients here's three ideas you choose you are potentially not building the specialist "expert" position I think designers need to set themselves apart from the general run of other

companies.

In my experience clients who want lots of ideas are the ones who will also knock you down on price and who say things like "I know what I like when I see it" – let those clients go on the net and get 50 logo ideas for £100.

In my view as design professionals it is our job to interpret client needs and to suggest robust solutions that not just look good but which relate to what the purpose is. This is the difference that designers bring – clients know their business but might not know the precise design that will be effective so unless absolutely necessary we avoid producing multiple design ideas. We go through a process internally and come up with a solution we think works.

There are always clients who insist and we do comply but rarely on very small jobs. And when we do produce three ideas we make sure that all will be workable otherwise there is always the danger of the client choosing the crap one. And we make sure that we get paid properly to develop those three ideas.

So my advice particularly on smaller jobs is not to offer a series of design ideas.

And rather than have a complex series of costing matrices look at each job and make a judgment on what is needed, look at what you've charged before and make any adjustment based on how much you want the job and the type of client.

What do you do about client amends? How many proofing stages do you allow in your costings? You mention design changes but what about author's corrections?

When you do work are you able to stick to the timings indicated or do you run over?

Interestingly overall your costings look very cheap on some things and very expensive on others. So flyers look cheap and letterheads and business cards look expensive for example. We have a higher rate than yours (we are larger and have more overheads I would guess) but your business card and letterhead prices are probably as much as or more than we would charge. You seem to be making an assumption that you can charge more for letterheads and business cards because of their perceived value. I don't think this is completely accurate. Identity work can be perceived as high value but it depends on the client and on your process. To get high value you need to lead the client through a process not just design them nice stationery. In fact stationery on it's own is often not perceived as high value by clients. This needs more thought – in particular about where value can be increased – probably based on overall solutions rather than on different types of design work.

Next Steps

My advice would be to re-focus your costing to be based on a robust hourly rate and on time needed per job. Think less about what every combination of

jobs will cost and don't confuse your offer with options that clients may not understand. Then fit proposals to client needs and look at value across the whole project. (Might be useful to send me a couple of your proposals/ estimates – say one large and one small so I can see how you approach them)

There is no one method which will work for everyone for getting new business. What is important is working out what will work for you. Being known however is always useful so networking is key – where and what depends on your interests. Of course these days networking is not only the usual face to face but also things like Twitter, LinkedIn and Facebook.

Getting new work is always tough. Building on existing clients and contacts is always easier than finding new clients.

Build your profile based on your skills not on your prices. Are there particular areas you want to work in? Relationships are important. Cold calling is hard and it is difficult to build relationships that way so often work gained that way is very price based. Typically new clients can take months and in some cases years to develop but once you win them they can last a long time so looking after existing clients and suggesting things to them rather than waiting for them to contact you is time well spent.

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