



THE PRICE IS RIGHT

HOW TO SET YOUR RATE AS A CREATIVE FREELANCER

With Keith Lay

scopic

PNCA



Scopic is a Portland-specific directory that helps agencies and other hirers find and connect with the right creative freelancers quickly and easily.

getscopic.com/resources | us@getscopic.com | [@getscopic](https://twitter.com/getscopic)

PNCA

CREATE YOUR FUTURE.

BridgeLab Career Center is here to **GUIDE, EDUCATE, and ADVISE**
as you bridge the gap between college and your professional career.

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What is your business?

Clearly define your business and determine your value.

What is your business?

If you are serious about your career, you will be serious about being paid appropriately.

What are you selling?

List out all the services that you provide

How do you charge?

How do you determine what you are actually worth?

What are you selling?

List out all the services that you provide

How do you charge?

How do you determine what you are actually worth?

What are the comparables in your industry?

Where are you at in your career?

What are you selling?

Identify services you provide, but do not charge for:

What goes into a project that you don't charge for?

How many hours does that add up to?

Your Differentiator

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What makes you stand out?

What are the strengths and talents you bring to your clients?

Can you tell a story (and give examples) that show you add value to the client's business?

Your Differentiator

How to remove yourself from the downward price spiral:

If you are at the end of the project chain, you will feel the most pressure on time and budgets.

By offering more value, you can move up the decision making ladder.

Clients do not necessarily see design as a valuable solution.

Your Differentiator

Show that you are in the problem solving business; That money spent on your services takes away a pain point, worry or limitation in a client's business.

The Crowded Market

The Crowded Market

Understanding the realities:

Not everyone is your client

Not everyone is your competitor

You need to find your niche and your proven speciality

The Crowded Market

The entrepreneurs' dilemma is to become recognized as an expert at the expense of casting a wide net (and potentially losing business).

The Crowded Market

Ethics and Practices:

When starting out (or even later), it is tempting to cut corners in order to secure business. This can be an unending spiral that keeps you from succeeding.

It also devalues the industry, and makes it harder for all.

The Crowded Market

Adhere to established codes of ethics and conduct:

aiga.org/standards-professional-practice

Changing the Conversation

Changing the Conversation

Determine your narrative and how to sell it:

Create a story around your process and your differentiator

Show proof of how you solve problems predictably and reliably

Changing the Conversation

Businesses have problems with sales, communications, exposure, stature, public relations, community. engagement, etc.

How will you help solve those problems?

Adding to Your Skills

Adding to Your Skills

Be a complete value proposition:

Avoid the temptation to put the ball in the client's court.

Any time there is a project bottleneck, that is a sales opportunity.

You are adding value and providing solutions when the project is end-to-end seamless.

Look for every opportunity to service your client.

Adding to Your Skills

Building your network:

Add resources to complement your skills:

Writing, creative direction, illustration, production, video, hosting, etc.

Determine the Right Price

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Three (+1) stages of your business:

Startup: competitive hourly rate

Growth: navigating value vs. cash flow (what the market will bear)

Established: the price is the price

High growth: monthly retainers

Determine the Right Price

What is the actual cost to run your business?

Your salary

Rent, utilities, equipment, software, etc.

Additional staff, partnerships, contractors, etc.

Contingency, insurance, memberships, fees, etc.

Determine all costs on a monthly / yearly basis

Profit

Determine the Right Price

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Profit

How many paid hours (at \$/hour) will it take to cover these costs?

Determine the Right Price

If you are not meeting your real costs, you do not have a viable business.

Determine the Right Price

Discounts, pro-bono, ownership shares:

Do not make a habit of giving special deals to gain business, it is not sustainable. You can make special case exceptions (ie: once or twice a year) for good causes or startups you believe in.

Determine the Right Price

Discounts, pro-bono, ownership shares:

Choose to make an investment, and treat them as any other client.

Determine the Right Price

Reference materials:

getscopic.com/resources

graphicartistsguild.org/handbook/cat/digital

www.aiga.org/pricing-models

Simple Hourly Rate Guide

\$15 - INTERN: Perhaps you are fresh out of high school, or want to switch careers. Your industry knowledge and technical skills might be limited, but you are enthusiastic and eager to learn.

Simple Hourly Rate Guide

\$20-\$25 - STILL GREEN: You are rigorously teaching yourself or are in the midst of a school program. Maybe you have one or two internships under your belt and some related experience.

Simple Hourly Rate Guide

\$36-\$55 - UP-AND-COMING: You have a year or two of industry experience and strong educational foundation to guide your professional practice. You still have a lot to learn, but your education, training and accolades are proof of your value in the market.

Simple Hourly Rate Guide

\$56-\$75 - EXPERIENCED: You've been in the business for a few years now. You have refined your technical and professional skills and a lot of great ideas to bring to the table. You have paid your dues and have the great work ethic, portfolio and chutzpah to prove it!

Simple Hourly Rate Guide

\$76-\$150 - EXPERT: You have had loads of job experience, and are a seasoned professional. You know your creative process so well you could patent it. Your business skills are those of a wizard and your client relations are unicorn-esque.

Simple Hourly Rate Guide

\$150+ - SUPER PRO: You know who you are, go get em'!

The Rate Card

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Should you have one?

Create a story around your process and your differentiator

The first step in establishing your prices, is to say what they are

Can help avoid confusion and clutter in your thoughts and your quotes

The Rate Card

Figure out your process via this method:

Even if you do not ever show this to a client, it can be the starting point for your proposals and quotes.

Often required for RFP responses

What is the right quote?

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All price quotations are guesses:

An accepted quote = your best guesses + your ability to justify / what the client will bear.

What is the right quote?

Your guesses get closer to reality, the finer the granularity:

Break a project down to its smallest possible component parts

Apply time and price estimates to each, small item

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This will be your cost. Add contingency (10%) and profit (!?)

Compare this quote with your core costs to see if it will carry its weight.

Making the Pitch

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Most clients do not have an understanding of the value of design:

- Be prepared for 'sticker shock'.

- Prepare the value proposition to justify the numbers

- Try to get agreement on the scope and parameters of the project before numbers are presented.

Making the Pitch

Asking for the business:

Ask directly

Make sure you're addressing the decision maker

A quick 'no' is your best friend. Move on.

It may take 100 calls, to make 10 pitches, to make one sale.

Negotiating On Price

Negotiating On Price

Only lower the price based on removing line items from the budget

Don't agree to lower prices arbitrarily

Be prepared to walk away

Dealing With Pushback

Scope creep, disagreements, and misunderstandings come from ambiguity, a lack of clear communication, and lack of clear terms.

Getting the Full Ask

Getting the Full Ask

Present your proposals as specific solutions to specific problems

Don't leave money on the table:

Be alert for solutions you can provide to the pain points your clients are dealing with.

Service opportunities equal more income.

Don't look at requests from clients as a burden.

THANK YOU!

Questions/Comments/Concerns?

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