



# Session #2



## Let's Talk About Money



The Interior Design Business  
*Success Studio*

# What to Expect From This Session

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## Confidence: Why do you need it and where do you get it?

List your strengths, personality, passions, connections, experience.

## What is your finish line?

How much money do you want to make this year?

How much time do you want to devote to your business?

What type of design business are you going to create?

How many clients do you need this year?

## What is your business saying about you?

How will you package your talents?

How will you work with your clients?

What will you charge for your services?

How will you collect your paycheck?

**Where are your ideal clients hanging out?**

# Did you take action from our last session?

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Did you get your tax ID, your business license, and your business cards?

This may seem like the basics but taking that first step is so important. Many people plan to start their business and have great intentions but never really take the leap because it makes them feel a little uncomfortable. If that sounds familiar then I'm glad. That means that you're about to make some huge life changes!

Did you find something that started to bring up butterflies or uncertainty? Was there any part of it that you starting thinking "oh gosh, am I really good enough to be a designer?" Is someone really going to pay me for my skill, or do I have enough education? Have I been doing this long enough?

If anything that we talk about brings up that emotion, again recognize it, understand, always reach out and ask questions, but I wanted to really hit home that in our industry confidence is 95% of our job. Having the confidence that:

- You're a professional
- You deserve to have a great business
- You can make a fantastic income
- You can set your own hours
- You can work with whomever you want to work with
- They're going to love your advice.

# Confidence is 98% of Our Career

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All of that really come down to confidence. I know I've been there, I've felt it. I talk to designers from all around the world, and they all have the same insecurities. It's something I want you to consistently work on, and work with each other on.

Just remember (this is one of my little mantras that I like to say to myself and to say to other people. This even helps me in my coaching of designers)

"You have a gift. You have a talent, you have a specialty, and you have an eye for color, a great sense of special relationship. You have a gift that others don't, and you're just there to help them."

You might start feeling insecure and wonder "do I really want to be a designer, or just decorate someone's house, or what is that really worth?" It's a big deal to a lot of people

Everyone wants to have a place that they're proud of. A nest, a home base. They want this feeling of comfort and security, and they want to be proud, and they want to share it with their loved ones.

Every single client I work with, at some point, wants to share their home, their environment with other people and they're very insecure themselves that they can't do in on their own.

They've tried to do it on their own, they've shopped, and they've wasted money, they've bought things that didn't fit or didn't look right, someone's made a horrible comment. The space they have just isn't working. All of these things are problems that homeowners encounter every single day, and it causes them stress.

You can help them!

# Building a design business from scratch by working to your strengths

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Remember you can always email me questions, I'm more than happy to answer and clarify any part of the program.

All of these steps build upon one another. They're all interrelated, even though it may not be obvious at first. In the end you will see that they all combine to create a simple and very logical blueprint for your business.

This session is all about building your foundation. What type of designer do you want to be? How will you be charging for your services? How will you get your clients and what type of clients do you want to work with?

It's just that simple; you can share your gift, they just have to find you, they just have to know where you are.

We're going to get started building that business based on your strengths so that you know who you're helping, how you can help them, and how they can find you.

Starting right at the beginning, with your strengths, what I mean by this is that there are so many different aspects of your personalities, your skills, your experience, your knowledge that will help you determine the kind of designer that you want to be.

## WHAT ARE YOUR STRENGTHS?

Know your personality strengths.

- *People person/quiet*
- *Organized/ organized chaos*
- *Business type/ free spirit*
- *Crave the spotlight/ behind the scenes*
- *Controlling/ Passive*
- *Enthusiastic/ Mellow*
- *Love to network/ lone wolf*

**I want you to be honest with yourself and really do some soul searching:**

Are you a people person or are you quiet? Do you like to get out there and talk and shake hands and meet people, get involved in peoples' families? Or are you sort of a quiet and reserved person? Maybe you would rather work one-on-one with someone.

Are you organized? Are you really good at details? Do you have a label-maker that you label everything? Maybe you're like me. My desk might seem messy but I know every pile and every basket has a different type of design magazine. Every file has something that I've kept for a reason, or that I need to access quickly. It may look chaotic, but to me it's organized, and that's how I work best.

Some designers are really business-types. They like to work with other professionals; they like to be very structured. Some people are free spirits, and they're really in tune with emotions and chi. It's just is a different personality type, and that's ok.

## WHAT ARE YOUR STRENGTHS?

### Know your weaknesses

- *Patience*
- *Creativity*
- *Outgoing*
- *Organization*
- *Time management*
- *Follow through*

Are you controlling or are you passive? If you're that controlling type, you don't want to shop, **ever**, with a client; you don't want clients, who are wishy-washy, and that can't make up their mind, and that are insecure; these are really big red flags to be aware of.

Not all designers are terribly creative. You need to be a good problem solver and a really good listener. A homeowner can tell me what they want, what kind of space they want to have, what they love, and I can make it happen. It will be pretty, it will be well-organized, and it will function incredibly well. It wasn't an original idea for a blank space.

Are you not very organized? Then you need to be aware of kitchen design. It's very, very detail oriented. You must be organized because there are so many moving parts that go into a kitchen.

If you're really good at organizing your time, you're going to be more successful. Time management is a big player when you're trying to design an entire room, or an entire house, and you have pieces coming from around the world at different times, different manufacturers, and different shippers. You have to make sure it all comes in at the same time, and that it's all installed correctly. **If you're not a good time manager, then that's a big area you need to work on; that's a red flag for you.**

There are plenty of other kinds of designer you can be if time management is something that you struggle with. You either need to put some really good systems in place, or build your business around what you are good at, and follow through. Again, product-driven designers, if you have a lot of small clients, follow-through is critical. You have to be able to check up on status. What if something's back-ordered? Why hasn't my shipment of pillows come in yet? You can't just rely on continuously getting new clients if you're dealing with a lot of clients. You have to do follow through, you have to plan on building relationships with them, and you have to get repeat business.



## WHAT ARE YOUR STRENGTHS?

Understand your limits

- *Part time or all the time in the world*
- *Is this a sprint or a marathon?*
- *Are you comfortable around construction?*
- *Will you take the time to learn what you don't know?*

**I want you to understand your limits. What I mean by that is take a look at the big picture of your business.**

- Do you want to work part-time, or do you have all the time in the world?
- Do you want to find one big million-dollar client and spend two years with them, and you can travel around the world going on shopping trips to Paris (it's not as common, but let me tell you, those clients are out there), or do you want to stay close to home, and make this a part-time income generator for you and your family?
- Do you want this to be a sprint or a marathon? Are you ready to get up and running today, get quick clients, flip them fast, move on to the next, and keep that energy going, or do you want this to be a marathon?
- Are you ready to build that solid, sturdy, strong foundation, fewer clients, deeper relationships, more referrals, and you're going to get repeat business (big difference). Of course you can always have a little bit of both, but the more you understand about what you want, and your limits, the more successful you'll be.

WHAT  
DOES  
YOUR  
BUSINESS  
LOOK LIKE?

Different types of designers  
= completely different  
career

*"Action is the  
foundational key to all  
success."*

*- Pablo Picasso*

**Different types of personalities = different kinds of design.**

Are you comfortable around construction? If you're going to do remodels, kitchen design, new homes being built, or if you want to work on a historical restoration projects, you'll need to be comfortable around men and construction workers. You'll need to be strong, stand up for yourself, and be much more assertive to be successful working with construction teams.

If you're a very passive, shy person, then that might not be right for you. There are ways around it. Are you willing to learn? Then you will need to do your homework and study the specifics of a job.

WHAT  
DOES  
YOUR  
BUSINESS  
LOOK  
LIKE?

*"Action is the  
foundational key to  
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Different types of  
designers =  
completely different  
career

When I built my design team; my contractor, my window treatment workroom, work crew, all of those people, I didn't know anything these areas of design.

**If you're new to the business or aren't familiar with a particular area, keep researching and expanding.** When you start out with a small business, you're still going to be able to grow, and develop into a far more comprehensive designer.

**You've got to be able to put in the time.** All of this should bring you to the idea that different types of designers really have completely different careers. Never limit yourself, but know your strengths, and start to build your business based on those decisions. I'm going to give you some examples, and these are all based on real-life coaching clients that I've had, to give you some really personal examples.

WHAT  
DOES  
YOUR  
BUSINESS  
LOOK LIKE?

Example #1:  
Controlling  
Organized  
Not patient  
Lone wolf



Home Stager, or model home designer.

Find contractors, Realtors, and developers who want network.

Use presentation boards to sell a house and your services

**Example number one:**

Very controlling, very organized, type-A personality, not patient at all, and was very lone-wolf. Socially, she was great. She likes to have a great time, she had lots of friends, but when it came to business, she liked to work on her own. She thought she could do it better by herself, she liked a lot of structure, she got very upset if people were behind their deadline. If anything went wrong, it was really hard for her to control that. Rather than try to conform her into this sunny, bubbly, people person that could work with any housewife (again, I'm generalizing), we really focused on creating a business around new construction.

Now she's going into a home that's really a blank slate, so she's going to have more control over the complete colors, the way it flows throughout the entire house, all of the surfaces. She wanted complete control over the design of the countertops, the faucets, the drawer-pulls, the light fixtures, everything, so that it could be this complete, cohesive design.

There are those clients out there. Tons of people get so overwhelmed in buying a new home and the thought of trying to go in there and make decisions by themselves is paralyzing.

What she did, was she set up an entire marketing plan where she met with some builders, contractors, realtors, and she found a few builders that had built these beautiful, stand-alone, custom homes but they couldn't afford to build a model and they didn't have a big neighborhood. It was high-end and very tough to sell and move a house at that price-point.

She created these amazing presentation boards and put together a beautiful vignette in his home. She borrowed some furniture from a store that she had built a professional relationship with where she could get a designer discount in exchange for some advertising.

She put together a beautiful space with a stack of her cards (I think she even had some chocolates), a flier that described her services, and on that board, it showed her design, with her imagination, every little detail, and it said "Can you imagine? This could be yours".

She ended up having people coming to her with that board saying "I want this", and her whole design was done for her. She essentially had to just fill in the blanks. It was great, and she loved working with contractors and builders. She like that structured no beat-around-the-bush fluff.

The home owners were coming to her already pre-qualified, already knowing her style, so she didn't have to go and schmooze them, or try to sell them on anything. It was great, and she has built an incredible business, starting with just this one little area. Now, of course it spreads, and as the builders get to know you, then they call you for other projects and refer you. It's really a great way to go if you're that type of personality.

## WHAT DOES YOUR BUSINESS LOOK LIKE?

*"Action is the foundational key to all success."*

*- Pablo Picasso*

Example #2:  
Team player  
Organized  
Willing to learn  
Detail oriented



Build a team of **reliable** professionals. Kitchen designer, remodel projects, new home construction.

You can target a new housing development or up and coming neighborhood. Offer window treatments, color palates, space planning, and wall coverings.

### Example number two:

This person I had in mind was very social, very team-player, liked to work in a group, and it may have been that she was a little more insecure about her decisions and her design, but that's ok. She often worked with other designers and they would brain-storm. She had a really great relationship with her window-treatment work-room, her contractor, so she would actually bounce ideas off them.

There were much fewer mistakes when she had that professional there watching her. She was also extremely willing to learn and she wasn't afraid to ask a lot of questions. When she worked together with another professional, she didn't have to worry about liability as much.

This team that she continually used referred her over and over again all around the state.

This type of person is great for kitchens, it's great for remodeling because you'll get in there with a team and say "hey, can I get this wall down? I'm not sure if it's load-bearing, what are the building codes, what kind of windows can I put in here, I want to change out the light fixtures, and is that possible with this type of ceiling?"

This is a great, great, type of business if you're in a small community. I've lived in these little communities where all I did was join the home-owners association, or the welcome wagon (a similar group I joined when living in Corpus Christi), and it was so much fun. It was a great group of people in the neighborhood, and I got so many clients from there. It's the perfect business if you want to get involved in the community and donate to charity, and volunteer your time. You can really get into window treatments and color palettes, and you can tell new home-owners "hey, are you moving your furniture into your brand new home? Let me help you decide where you want to put it". If this sounds like you, then you can go after new housing developments and groups.

WHAT  
DOES  
YOUR  
BUSINESS  
LOOK LIKE?

Example #3:  
Passive  
Patient  
Open minded  
Organized chaos



Re-design, personal shopper, family designer, accessory house calls.

Be involved in community activities and neighborhood groups. Look for DIY shoppers and alternative niches.

### Example number three:

This type of designer is quite passive. They really don't mind working with what the client has, and they would really rather just give them what they're asking for. They're very patient, and very willing to hold a client's hand, and give them different choices, and get them involved in the design process. They're very open-minded, and a little bit of organized chaos.

A great type of business would be redesign for this personality type. You're working with their items or you can be a personal shopper. If they're willing to pay you hourly to just shop, then fantastic. Usually these are very family-oriented, local, residential clients. Accessory house-calls are great fun, where you just go load up your car, and you get to play and set up the house, and decorate put fresh flowers and light candles, and they buy what they want, and you return what they don't want.

There are so many things that you can do with this business. It's important to be involved in your community; go to do-it-yourself, Home Depot, hang out in the paint department (I've actually gotten a client there once), and alternative niches. What I mean by this is that I've got some coaching clients that have tried to fit themselves into a more traditional type of designer, and they kept struggling because it just wasn't working. Their business wasn't taking off, and they couldn't quite figure out why.

I've also worked with new designers who took an honest look at their interests and their personality type, and then used it to build a successful business. They ended up being feng shui specialists; somebody else was just doing green design and really wanted to save the environment, because it was really just a great passion of hers. She's very open-minded, and she's willing to teach the home-owner.

You can see that this personality is a little more touchy-feely, and there are some amazing design businesses that you can create with that personality. I hope you all are taking notes, and the wheels are turning and the juices are flowing, and you're trying to figure out what kind of designer you want to be, and that takes me to the next section



IS  
INTERIOR  
DESIGN A  
CAREER  
OR IS IT A  
HOBBY?

What do you want to  
make this year and how  
much time do you want to  
devote?

How much money do you want to make this year? Now I'm going to show you how these different personalities, and these different types of designers, can translate into the different ways that you charge and make your money.

**It's important to look at the numbers, which isn't something that designers usually gravitate towards.** When you're creating your packages, and these can change and evolve, but you need to start from right where you are today. When you're creating your business model you need to be honest, and understand that:

**Your Experience + The Model You've Chosen = Your Income.**

LET'S WORK  
THE NUMBERS

Experience + Business Model =  
Income

Goal: \$36,000

Some design school+ redesign and  
consultation+ no more than 20 hours  
a week =

Average home package is \$500 per  
room,

3 rooms per home = 24 clients per  
year.

**2** per month

### Here are some examples:

Let's say you want to earn \$36,000, and you don't want to have a 40-hour work week. You'd like this to be more of a supplemental income to your family, or something that doesn't cause you as much stress. Maybe you're just out of design school and you want to build up your experience.

I would recommend redesign, or consultations. It's relatively simple, you don't have that long-term commitment; you're not ordering that sofa that takes twelve weeks, and might have back-orders or discontinues, and you have to keep up with everything, which is very stressful. It takes a lot more follow-up time.

So let's say you want to make \$36,000, and you've decided that you're going to offer redesign packages, with maybe some consultations, and you're going to charge \$500 per room.

You can give them a furniture layout with traffic patterns, create color palettes throughout the space so they can bridge throughout the entire house, and work with what they have. On average, you will probably work on three rooms per home. Living room, family room, kitchen/dining (you can combine those because there isn't much involved). To get to the 36,000, you're going to need 24 clients per year, which is two clients per month.

With 2 redesigns per month, you might spend three or four days with each client. The rest of the time is going to need to be spent on marketing. Signing two clients per month, you need to continually be putting out feelers, spreading the word, looking for referrals, working on your follow-up. It's a lot more leg-work when it comes to the marketing side of it, so if you like networking and blogging and interacting on Facebook, and you'd rather be spending the rest of your hours per week online, or out having lunch with people and networking that way, then fantastic.

LET'S WORK  
THE NUMBERS

Experience + Business Model = Income

Goal: \$65,000

Some design school + redesign and  
consultation + window treatments, no  
more than 30 hours a week =

Average home package is \$500 per room,  
3 rooms per home. Window treatments  
average \$300 profit per window, 4 per  
home.

2 per month

**Here's a second scenario:** Let's say you'd rather make 65,000. You can see that this is a much bigger time-commitment (30 hours a week), and you're probably going to need to add some products sales. It doesn't necessarily have to mean opening your accounts and selling major pieces of furniture, but to get to 65 (I have found) with a thirty hour per week time-commitment; you need to add some products. Now, let me put an \* here. Think about the debate online, do I charge hourly, do I charge package? This is another plus, in my mind, in the package deal.

If you want to make \$65,000 per year, think about how many hours of design time you have to clock if are you going to charge per hour? Remember, if you're just starting out, you're probably not going to get 150 per hour. You're going to be closer to 50 per hour, and that's a lot of hours that you have to find clients for.

You have to keep track of every single hour, you have to make sure that you're charging for your drive time, you have to make sure that you're accounting for everything, which means that

you're going to have to be very professional, and very upfront. You have to be confident about that.

If you're charging by packages, and you're including products to increase your per client income, and it's a little bit less record-keeping.

So, \$500 per room and 3 rooms per home, and you add window treatments! \$300 is a very conservative estimate on how much you would profit. If you were more advanced, and you had more experience, you would have your accounts open, you'd make a much bigger profit.

LET'S WORK  
THE NUMBERS

Experience + Business Model= Income

Goal: \$85,000

Some design school+ redesign and  
consultation+ window treatments,  
products, no more than 40 hours a  
week=

Average home package is \$1000 per  
room,

3 rooms per home. Window treatments  
average \$300 profit per window, 8 per  
home. Product profit \$3000.

**10 per year**

As you gain experience and grow your business you can expand into opening your own accounts and working with more complicated remodeling projects. There's great money to be made in tile, wallpaper, carpet, fabrics etc.

With this experience also comes an increased package price. You're now able to recommend more advanced solutions to the problems, which will of course require more work and liability on your part. So in this scenario I have changed the per room price to \$1000.

This package should include not only the colors, floor plan, rendering and complete design package, but you will personally walkthrough every step of the project. Your time will be taken up with project maintenance rather than design time. You'll need to be there for every delivery, meet with all of the project players like your painter, contractor etc.

You can see with this increased price and services, you only need 10 clients per year. Much less marketing and more word of mouth. At this level most of your projects will come from referrals.

WE ARE GOING  
TO BUILD YOUR  
BUSINESS.

Packages = less paperwork, easier to predict your income.

Hourly = detailed record keeping, and strong **professional** relationship with your client.

Product Driven = accurate record keeping, confident networking, connections.

Consultation only packages = online design, shopping trips, accessories and decorating, party and holiday staging.

Packages allow you to not only predict your income, but also to have a little more peace of mind. With hourly rates, you need to account for every minute of your time spent on this project. What do you do if you're shopping for client A and you see something for client B? Ethically, how do you bill for this time? What if your new client happens to live at the other end of town, which also happens to be where all of your ideal clients live? Do they suffer because you don't live close enough to their homes? With packages, you can estimate how many hours you would typically take to work on a project of this scope, and you can charge accordingly.

Of course sometimes you'll overshoot, and sometimes you'll have time to spare. In the end it will all even out.

When you are charging by the project, you essentially know how many rooms that you need to design per year in order to reach your financial goals.

You need to be aware of how efficiently you spend your time. I'm a talker and I love to build strong relationships with my clients. I believe that it helps me to be a better designer. With that

in mind, if I were to charge hourly, I would be charging for small talk and other natural conversations that always come up when I'm meeting someone new. I don't feel comfortable charging for that bonding time.

If you are extremely direct and business only, then maybe you can charge hourly. It needs to be what's right for you and your business. At the end of the day, you will make the same amount of profit. I charge more for my packages, and they spend more time keeping track of their time. I think I have more fun.

Product driven designers can work with community partners as well as their own accounts.

\*A fantastic tip: find a store, an upholstery shop, an antique store etc., that doesn't offer full design services themselves. Approach them with a proposal to trade services. They can promote your design business in exchange for you selling their products. These are some things to be aware of.

- You will be mutually helping each other grow your businesses, and work together in a positive manner.
- It needs to be an exclusive arrangement that includes honesty and loyalty.
- They can give you exposure to your ideal clients, and advertise to people who might not have been actively looking for a designer. You can save on marketing expenses and paperwork headaches.
- The store will display a color texture pattern board of yours, depicting a home designed using their products. The home can be fictitious, but it does need to reflect your talents, and their product. Add a sign that says inquire about our in home design services.
- The store can give you the contact number as a lead, and you will need to reach out and follow up. You can receive a percentage of the sale, and the store will handle the ordering, shipping, and other financial transactions.
- All of the details are spelled out in your Design for a Living Quick Start Book.



WE ARE GOING  
TO BUILD YOUR  
BUSINESS.

#### Product driven design:

- Open to the trade accounts
  - Design centers
  - Showrooms
  - Designer discounts
- Business references
- Good business credit
- Time to devote to updating
- Great bookkeeping and record keeping skills.
- Build strong professional relationships.

Are you willing to build connections with your vendors? Are you ready to take on the ordering process and the follow up that this will require? A product driven designer needs to have good business references and a solid business credit rating. You will look on their website for a contact number to reach out to in order to open a new account. You will fill out an application and probably jump through a few hoops.

You need to stay on top of discontinues, back orders. You will have to maintain your samples/finishes. Know how you're going to pay for your products. Are you on terms with the company or do you have a business credit card that you can use? Keep all of these details in mind.

Your rep relationship is important. A vendor can pull a line of products from you and prevent you from ordering so make sure that you stay on good terms with them.

You don't have to be a product driven designer but your extra work will relate into larger incomes.

WE ARE GOING  
TO BUILD YOUR  
BUSINESS.

### Consultation only:

- Re-design using their own furniture. Be prepared to hang pictures, dust shelves, set the stage for a WOW factor.
- Personal shopper for remodel, trips to Home Depot or a tile showroom. Furniture placement and road map before finding the right piece. Pulling it all together with lighting, accessories, and future plans.

A consultation only designer is just that. You will give suggestions and recommendations but you aren't ordering the products yourself. This can translate into many types of design business.

Re-designer is someone who does the fluffing. Creating the finished room using what they already have. A personal shopper is not only someone who goes out shopping on their own, but can also hold a homeowners hand while they make these expensive decisions. I often tell these clients that I'm there to make sure they don't make any mistakes.

My favorite type of consultation only designer is someone who essentially gives the homeowner a map to a beautiful room. You can do this virtually or in person, but in the end, the client will know exactly what size, shape, color, texture of each piece and how it should all fit together into a beautiful space. You can create a comprehensive binder with all of your suggestions and pictures.

You can also give them specific shopping lists with recommendations based on their budget. Keep in mind that their design can be completed in stages. Give them a plan that's broken down into manageable steps.

Begin to Build your  
Blueprint.  
Answer my questions:  
What type of designer  
you want to be?  
What type of packages  
do you want to have?  
What are your  
financial goals?  
How much are you  
going to charge?  
What steps are you  
going to take this  
week to make this all  
a reality?



## HOMWORK FOR SESSION #2

Get solid with your answers. What does your dream design business look like?

By our next session, you should know these things:

Specifically describe your new business. For example “I translate high end design into real life budgets.”

Don't settle for mediocrity. Don't under sell your services and charge too little. Respect yourself and your gift and set your prices accordingly.

Know your limitations and where you will draw the line when it comes to your designs.