



Session #11

**Adding Income Streams
to Increase Your**

Bottom Line



The Interior Design Business
Success Studio

So What Exactly Is An Income Stream?

It's an additional source of income that you can incorporate into your business foundation to grow your overall revenue. Think of it like offering your customers fries and a drink to go along with their hamburger.

In most businesses it's where the real money is made. Your basic design fees should cover your bills and expenses, and those additional income streams will make your bottom line flourish.

Expanding your business model can be done in countless ways only limited by your imagination. I'm going to discuss a few of my favorites that I've had great success with in my career and list the pros and cons of each.

Join Forces with a big brand:

3 Day Blinds

Pros: You become a representative of the company and are fed leads through their national marketing campaigns. They don't limit the services that you can offer your clients. If you find someone with additional design needs, you are free to offer your services.

Cons: You have to buy into their program and you'll be given leads to a lot of looky-loos. If you use your pre-qualifying skills and your stay focused strategy that I've taught you, you can overcome some of this.

Carole Fabrics and Graber Blinds

Pros: Again you are a representative of their company and you have the benefit of their multi-million dollar marketing campaigns. You also have access to their window treatment and custom bedding manufacturing. It's an easy way to break into the window treatment world if you don't have experience with them.

Cons: You have to invest into the program and you need to purchase your sample books.

Offer a wide selection of design packages:

Accessory house calls are so fun and one of my personal favorites.

Pros: You get to see a room transformed and have a sense of instant gratification. It's a fantastic way to express your creativity and your clients are thrilled with your magic.

Cons: It requires time and muscle. You'll have to shop at numerous locations to find a wide variety of accessories. If the client doesn't like something or you've purchased too much, then you'll need to spend the time to return it.

Holiday and special occasion design

Pros: It's a great way to quickly add an influx of money. It's a way to up-sell to your clients and add value to your services. Even creating the program offers you a wonderful excuse to re-connect with your past clients.

Cons: You will be working around your holiday time and usually working during nights and weekends.

Become a product driven designer:

If you're only billing for your design hours then, you might need to do some math.

Income Goal / Hours you want to work = Hourly Rate

Does this fit within your market range?

Mark-up of product.

Open your own vendor accounts, purchase directly from the manufacturer and mark-up the items at least 100%. So for a \$100 lamp, you would charge \$200

Pros: You can make a lot of money this way. You have exclusive products that your clients can't get on their own.

Cons: You must be organized and professional to manage the paperwork and work with other industry professionals. It requires opening accounts by providing your income statements and a credit check. You always have a minimum opening order and sometimes need to keep up your orders to maintain your discount.

Register for Designer Discounts with national companies

Most catalog retailers offer at least a 10% discount to designers. Simply order the products yourself and charge a higher price to your customer. You can keep the entire discount for yourself or offer to split the discount.

Pros: you can shop in your pj's from home. They have wonderful return policies and they will handle all of your paperwork. They have already waded through the millions of product available on the market and selected only the most trendy and popular. Also, the more you spend, the larger the discount.

Cons: Your clients will know where the furniture came from. There is a stigma attached to ordering from a catalog. You don't make much money on each transaction.

Online Design Centers

There are numerous online design centers that cater to designers. Design Trade Service (formerly LHI) is just one of them.

Pros: I personally helped set up their business model and I know the owners personally. If you register with the code DFL90 you will get a free 90 day membership just because you know me.

They have a large selection of high to mid-high furniture companies that they represent. They take care of all of the paperwork, you only need to call. You will receive 50% off of suggested retail prices and your clients will never know that you have any mark-up.

Cons: You have to arrange your own delivery and receiving. They will help you to research available companies and decide on the best pricing. If there are mistakes or damages, you will need to handle the returns and paperwork with them.

Local Furniture Stores that don't have an inside designer

When you partner with a local store, they can send you clients in exchange for selling their products first.

Pros: Negotiate that they do most of the paperwork. They have already pre-qualified their customers and have found you warm leads. They have already established shipping and receiving and they have the open accounts.

Cons: You have some restrictions and loyalty to the store. You might not make as much of a mark-up and you have to play nice with the owner and other sales people.

Online Design Packages:

Luckily we live in a time when you can spread your design talent around the world without having to leave your home. Make sure that you suggest products that they can buy on their own, and can return if something goes wrong.

Pros: Offering an online design package is a great way to add income to your bottom line, while streamlining your design process to reduce the amount of time you spend working with each client. You won't have to travel or spend as much time driving to stores.

Cons: A lot of your design can get lost in translation, so the finished product might not be what you had imagined. Clients can be needy when asking questions. They're just inexperienced and hired you for a reason. You can only charge the onetime fee that you've advertised, so you need to be protective of your time and create systems for your packages.

My final word of advice:

Don't spread yourself too thin. The last thing you want to do is to spend so much energy on "creating" these strategies, that you'll lose sight of your foundational income.

Remember, you need that to keep your business running. I'm suggesting that you incorporate one extra income stream at a time. See what your market responds to and those ideas that you have the most fun with.