

Forum:[Hack Forums](#)

Thread: [works | Tutorial Tuesday #5 \[How To Price Design Services\]](#)

Rivalry - March 20, 2018, 10:57 am

[\[img\]http://upload.vstanced.com/images/2018/02/16/xLE.png\[/img\]](http://upload.vstanced.com/images/2018/02/16/xLE.png)

Welcome to Tutorial Tuesday, works's weekly series teaching you how to become a better designer. Our tutorials are often non-specific; our aim is to improve the soft skills that underlie all aspects of design, especially your thinking skills. This week, we're looking at pricing design services effectively.

AT A GLANCE

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Creative professions generally do not pay as well as quantitative professions. This is partly because modern society typically pays salary - and charges customers/clients - by the hour. You are therefore expected to generate X return, or Y product, in Z hours. If you're in a creative profession, this is hard: how long does a logo design take you? An hour? Ten hours? Ten weeks? Ten months? So much of design is simply waiting for a creative insight to strike you, and this could take seconds or days. Because of this, it can be hard to justify charging a client \$100 for a logo design that took you only a few minutes to create; similarly, it can be tough only charging a client \$100 for a logo design that took you two weeks to perfect. The point is that pricing design services effectively is hard. This tutorial will suggest some ways around this problem.

We can summarise this thread with the following: if you respect yourself and have self-belief, never work for free. Secondly, charge the client rather than the task. Thirdly, be comfortable negotiating with your client. Treat them with professionalism and respect, and expect the same treatment in return. Finally, know your rights.

KNOW YOUR WORTH

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People try to hustle creatives all the time. They promise things like 'exposure', opportunities for paid work in future, networking, portfolio practice, and so on. More often than not, these 'offers' should be politely turned down. The abundance of designers willing to work for free diminishes the overall value of creative skills. It also makes clients less able to discriminate between good design work worth paying for, and awful design work not worth buying. You should almost never agree to work for free. The existence of the 'Free Graphic Requests' sub-forum on Hack Forums is an insult to creatives. It tells would-be clients that it is acceptable - and almost normal - to expect designers to be at their beck and call at all times of day for free. This is not true: you are worth more than this. Your time is valuable, and so should only be given for free if it's for a cause you genuinely believe in, you're only just starting out with design and want to get experience working with client briefs without the stress of being financially accountable, or you fully expect to gain in some non-monetary way from the work. Otherwise, you should only work with paying clients. If all designers on Hack Forums behave in this way, we can collectively increase the value placed upon creative work and prevent the pervasive feeling that design work is a non-lucrative industry, and therefore that designers are

typically not to be treated with respect.

FINDING THE RIGHT PRICE

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So, you're working for a paying client. Congratulations! However, the question of how much to charge a paying client is a tricky one. We can visualise the problem by looking at a famous logo, like the McDonald's 'Golden Arches', or the Nike Swoosh. How much is the Swoosh worth? You may be surprised to learn that Nike paid \$35 for it in 1971, which adjusted for inflation is a mere \$215 today. However, it is obvious that the logo today is worth far more than this. The logo cost Nike so little because Nike at the time was a tiny company, and this tells us something about how we should price design work. The key is to price your work according to the client, not according to the task. Allow me to explain: imagine that tomorrow you're approached by your neighbour, who wants a t-shirt design for her son's birthday party. At the same time, you get an email from Nike, and they also want to hire you to produce a t-shirt design. How much should you charge? The job is technically the same, but whereas you might charge your neighbour \$50, you can charge Nike far more. This is not just exploiting the fact that they can afford to pay you far more; actually, it is because the design has far more commercial value to them than it does to your neighbour. To your neighbour, the design is probably going to have zero commercial value. However, to Nike it could have tens of thousands of dollars of commercial value as they mass-manufacture your tee and distribute it globally. Because they stand to gain far more profit from the work than your neighbour does, you're able to raise your price to match their level of expected profit. The job you're doing is the same in both cases, but you can make far more money from working with Nike.

On Hack Forums, you're probably not going to get any AAA clients like Nike (we can dream, though). But the same idea applies on a smaller scale: you should feel able to charge more to a well-known marketer with multiple successful products than you would charge a new entrepreneur launching their first e-book, for example. This means you should never offer your design services as a flat-fee of, say, \$40 for a thread design. If you do this, you'll lose business by potentially over-charging small clients who won't be able to afford your prices, and you'll lose income by under-charging large clients for whom your work has higher commercial value. Design should be your big clients' largest cost on HF, along with buying stickies and suchlike - make sure you're charging them appropriately. This also means that you should be willing to raise the amount you charge a returning client: for example, you make them a thread design for their first product and it sells very well. They may return to you to work on the thread design for their second product, whereupon you should feel comfortable increasing your prices: after all, your design work contributed to their first product's success, and your work is thus more commercially valuable to them now than it was. Returning customers should respect this, and shouldn't keep expecting you to produce the same quality of work for the same low fee, even as their profits soar off the back of your designs. On Hack Forums, sometimes returning clients are taken aback by this idea. However, it's perfectly reasonable and most clients worth working for will accept it once you explain your rationale (link them to this thread, perhaps).

The other factor affecting how much you should charge is so obvious that I've taken it as a given so far, but I should probably explicitly explain it for avoidance of doubt. Your skill level is obviously the largest determining factor here: better designers can generally charge more than worse designers. Thus the best way to earn more money from your work is to improve, and the only way to improve is to practise and post your work in Rate My Graphic for criticism (or submit it to works for analysis in our weekly [Crit Pit!](#)) Periodically you should take some time to review your prices: as you improve you should feel comfortable raising your prices. In turn, clients will expect higher-quality work from you, but this is also good - it challenges you to improve further.

To summarise this section, then, the price you should charge clients is primarily dependent on your skill level, your confidence in that skill level, and the commercial value of the work to them. This means that a logo may vary in price from project to project, and that's fine.

NEGOTIATING

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Negotiating with clients can be intimidating, especially if you're inexperienced. The best way to ensure you get what you want is to be confident about your value: as above, know your worth. If you know that your thread designs are better than most other people's on Hack Forums, then charge more for them: if clients want a premium product from you, they should be prepared to pay a premium price. That's just capitalism! And if they can't - or won't - pay what you regard as a fair price, then never be afraid to walk away. If you agree to work for less than you think you're worth, then you'll produce a bad piece of design (because you'll be demoralised and demotivated). You'll also send a signal to clients that this low price is how much they should pay you - it's often a better move to decline a low-balling client and keep your status as a premium designer than it is to reduce your asking price. Being confident about your value is a hallmark of professionalism and will earn your clients' respect, but equally you should treat them with respect. It is poor practice to high-ball your client with outlandish quotes, for example, and you should never demand further payment after a quote has been agreed upon.

A NOTE ON RIGHTS

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Intellectual Property rights are poorly understood by almost everyone on Hack Forums. I compiled a brief introduction to rights [here](#), which I would strongly recommend reading if you are buying/selling design services. As a designer, be willing to charge a large premium to sacrifice your Intellectual Property: believe it or not but site admins do tend to respect and protect IP, even here on Hack Forums! Anyone stealing/misusing your work can expect a swift response from site staff, in my experience.

[img]http://upload.vstanced.com/images/2018/02/16/xLL.gif[/img]

G--D - March 21, 2018, 8:36 am

This is a valuable content Thanks for taking time and writing this <3 much love for you guys #Works team .

I suggest other designers to take few mins and read this it worth more than the few mins <3 .

Rivalry - March 22, 2018, 2:52 pm

(Mar 21, 2018 08:36 AM)G--D Wrote: [\[CITE\]](#) This is a valuable content Thanks for taking time and writing this <3 much love for you guys #Works team .

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No problem! I'm glad you like it, and hopefully others find it useful :)

Biggy - March 22, 2018, 2:52 pm

Nice tutorial man, keep up the good content.

I'll throw this in the next edition of the Hf news.

ORK24 - *March 23, 2018, 5:34 am*

This will be great reading material for beginners, a lot of people don't know how to value their time and worth correctly.

Purple Heart - *May 24, 2018, 8:36 am*

Really really detailed! I found this very useful. I'll refer my friends to this thread.