

# HOW MUCH WOULD YOU CHARGE?

**C**harge too much on a job and you'll lose it to a competitor; charge too little and you'll lose money. No wonder pricing is the bugaboo of most creative businesses. Especially since a different price has to be set on every single job.

Despite this, creative firms actually have two advantages over most other businesses. Each of us will treat a job differently. And each of us will bring to it a different level of experience, service, talent, and style. So relating our prices to competitors' is always an "apples to oranges" exercise for any client.

**A "right" price?** For these reasons and more, the only "right" price for a particular job is whatever you and a client agree upon. Moreover, actual industry pricing for any given type of work usually involves a range of about 100%. In other words, high-end prices are typically double those of low-end prices from similar type firms.

Surveys taken by organizations and creative publications asking what firms would charge for hypothetical jobs usually produce such wide ranges as to be essentially useless. (Recent example: in a survey conducted by another publication, the design of a 2-color logo for a mid-size company ranged from \$150 to \$40,000.)

## A DIFFERENT APPROACH

So to bring you a bit closer to the real world, we decided to approach the subject of appropriate pricing a little differently. Rather than presenting the hypothetical, we decided to share with you some pricing of actual, client-accepted jobs. Further, we decided to select examples only from mid- to high-level freelancers and shops.

We decided, in other words, to provide examples of *typical* pricing of first-class work, done by first-class operations, for first-class clients—actual examples, which we modified only to assure anonymity.

The intention is to provide you with benchmarks to use in determining realistic prices for similar type work. Obviously, your prices may be more, or less depending on your level of experience and talent, and the sophistication and needs of your clients.

To get an idea of how your prices would stack up against our selected examples, first look at the specs and do your own ballpark estimating. Then compare your figures with those of the client-accepted estimates on page 10.

### EXAMPLE 1: CAPABILITY BROCHURE

**Client/objectives.** A 4-color brochure for an industrial products manufacturer that wishes to be seen as a "new thinker" in their old line industry. 16 pages including cover. Desires a "package price," including writing, photography and printing of 5,000.

**Design specifications.** Meet with marketing communications person and CEO for input. Develop/present up to 3 design directions (cover and spread). Select photographer, art direct photography (local). Purchase and supervise printing.

**Copy specifications.** Interview 6 key executives plus CEO for input. Team with designer to determine strategy/concepts. Prepare copy for design direction presentation. Write editorial copy for design fit and to client's satis-

faction. Read and correct proofs as required.

#### Your "ballpark" estimate:\*

*Phase I*—preparing/presenting design directions: \$ \_\_\_\_\_

*Phase II*—interviewing, copy-writing and editing: \$ \_\_\_\_\_

*Phase III*—6 original photos. Phtgraphy (inc. markup): \$ \_\_\_\_\_

Art direction (3 days): \$ \_\_\_\_\_

*Phase IV*—design implementation, electronic files and type (includes 6 charts): \$ \_\_\_\_\_

*Phase V*—schedule, purchase and supervise printing: \$ \_\_\_\_\_

*Out-of-pocket expense:* \$ \_\_\_\_\_

*Total:* \$ \_\_\_\_\_

### EXAMPLE 2: PACKAGING

**Client/objectives.** A regional process food manufacturer. Desires to reverse market share loss for their locally well-known line of pasta and sauces. Involves 5 packages and 2 labels of various shapes and sizes.

**Specifications.** Meet with client for product and branding input. Recommend a positioning strategy. Provide up to 6 directions for a packaging system that will effectively project the new positioning while building off the equities in the current packaging. Refine one design approach and execute variations for all packages.

The program must also consider the manufacturing constraints and timing requirements outlined by the client.

#### Your "ballpark" estimate:\*

*Phase I*—input/development of up to 6 directions: \$ \_\_\_\_\_

*Phase II*—design refinement: (single direction): \$ \_\_\_\_\_

*Phase III*—finalize package and label variations: \$ \_\_\_\_\_

*Phase IV*—design implementation (5 packages, 2 labels) including electronic files: \$ \_\_\_\_\_

*Out-of-pocket expense:* \$ \_\_\_\_\_

*Total:* \$ \_\_\_\_\_

\*To make comparisons more meaningful, breakdown and terminology are the same as used in the client-accepted estimates on page 10.

Possible extras—additional services available as needed.

Structural (5 pckgs): \$ \_\_\_\_\_

Photos (per day): \$ \_\_\_\_\_

Illustrations (each): \$ \_\_\_\_\_

Hand lettering (hrly): \$ \_\_\_\_\_

Print supervisn (hrly): \$ \_\_\_\_\_

### EXAMPLE 3: EXECUTIVE SPEECHWRITING

**Client/objectives.** The CEO of a regional utility has been asked to give a 20-minute keynote speech to a national trade association.

**Specifications.** Style must be personal (many in audience are his friends), but also provide hard information and economic predictions. Corporate PR will provide industry data and overall speech direction. No visual support is required.

**Your “ballpark” estimate:\***

Obtain info/direction—meet with corporate PR staff: \$ \_\_\_\_\_

Interview CEO—get input, determine preferences: \$ \_\_\_\_\_

Writing: \$ \_\_\_\_\_

Revisions: \$ \_\_\_\_\_

Out-of-pocket expense: \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

### EXAMPLE 4: ANNUAL REPORT

**Client/objectives.** A growing healthcare firm. Report showcases its research efforts and provides extensive SEC-required information on its complex financing. 64 pages plus covers—20 of editorial content, 44 of financial data. Printing purchased directly. Copy supplied by in-house writer.

**Design specifications.** Meet with corporate PR director, CFO and CEO for input and direction. Team with in-house writer. Develop/present up to 3 design directions (covers and two spreads). Choose photographer/art direct photography. Obtain 3 printing bids, recommend printer, handle press supervision. Out-of-town travel expenses covered by company expense account.

**Your “ballpark” estimate:\***

Phase I—development, including all research, meetings,

presentations and related expenses: \$ \_\_\_\_\_

Phase IIA—10 original photos.

Phtgraphy (inc. markup): \$ \_\_\_\_\_

Art direction (5 days): \$ \_\_\_\_\_

Phase IIB—art/stock photos.

Cover illustrn (buyout): \$ \_\_\_\_\_

5 graphs (developed): \$ \_\_\_\_\_

4 stock photos: \$ \_\_\_\_\_

Phase IIIA—mechanical art/disk preparation, including type and laser proofs for covers & 20-pg editorial section: \$ \_\_\_\_\_

Phase IIIB—mechanical art/disk preparation, including type & laser proofs for 44-pg financial section: \$ \_\_\_\_\_

Phase IV—production assistance including getting print bids and print supervision: \$ \_\_\_\_\_

Out-of-pocket expense: \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

### EXAMPLE 5: WEB SITE DESIGN

**Client/objectives.** A small consumer software company. Wishes to make their 15-page web site more stylish and sophisticated. New design must include all present elements, as well as provide paths for easy-to-build and navigate future expansion. All implementation will be by the company’s webmaster.

**Design specifications.**

Review existing and competitors’ sites. Develop 3 different approaches, each with home page, representative lower-level screens and navigation explanation. Screens comped with color prints in storyboard form. Upon selection of one approach, provide web site map (main architecture). Show detailed screens with navigational elements and GIF animation as necessary in non-functional HTML page layouts. Be available for consultation with site developers upon request (additional fee basis).

**Your “ballpark” estimate:\***

Phase I—review existing and competitors’ sites: \$ \_\_\_\_\_

Phase II—develop 3 approaches with home page, lower-level screens and navigation: \$ \_\_\_\_\_

Phase III—comp screen presentations with color storyboard prints (3 approaches): \$ \_\_\_\_\_

Phase IV—provide site map, detailed screens and nav. elements for approved approach: \$ \_\_\_\_\_

Phase V—develop non-functional HTML page design for client presentation in browser: \$ \_\_\_\_\_

Unanticipated cbngs: \$ \_\_\_\_\_

Out-of-pocket expense: \$ \_\_\_\_\_

Storage medium: \$ \_\_\_\_\_

Total: \$ \_\_\_\_\_

Site coordination—additional hourly fee: \$ \_\_\_\_\_

### BEFORE YOU TURN THE PAGE

Because this way of reporting prices is somewhat different, a few explanations are in order.

Perhaps most significant, the prices overleaf are high average, but *not* the top of the scale. Nor are they necessarily from top talents, for rich clients, in high-priced metropolitan markets. Simply, the prices presented on the next page are real-world examples selected because we believe they are reasonable and typical anywhere in the country for clients desiring effective, high-quality work.

As stated previously, your prices may be higher or lower depending on your experience and talent, and your clients’ needs and sophistication.

In referring to our price examples also keep in mind the many variables that can make these, or any others, irrelevant at best, misleading at worst. And, of course, that the individuals who prepared the estimates were working from much more complete information than we could reasonably provide here.

Now, with these caveats, turn the page.

Note: Creative Business’ Estimating Worksheet is now available for free downloading off the web at: [www.creativebusiness.com/on-line.html](http://www.creativebusiness.com/on-line.html)

**EXAMPLE 1:**  
**WHAT THE CLIENT ACCEPTED**

**The job:** A “package price”—design, writing, photography and printing—for 5,000 16-page capability brochures.

*Phase I*—preparing/presenting design directions: \$ 6,000

*Phase II*—interviewing, copywriting and editing: \$ 6,000

*Phase III*—6 original photos. Phtgraphy (inc. markup): \$ 6,480  
Art direction (3 days): \$ 3,000

*Phase IV*—design implementation, electronic files and type (includes 6 charts): \$ 9,840

*Phase V*—schedule, purchase and supervise printing: \$10,600

*Out-of-pocket expense:* \$ 500

*Total:* \$42,420

**Estimating summary:** Phase I—8 hours of meetings, 42 hours of design and administration. Phase II—8 hours of meetings, 52 hours of copywriting and administration. Phase III—3 days of photography at \$1,800 plus 20% markup. Phase IV—82 hours. Phase V—printing supervision fee \$2,200, and 20% markup on bill of \$7,000 (\$8,400). Out of pocket expenses—photo shoot miscellany. All design time billed at \$120 per hour; copy time at \$100 per hour.

**The creative firm.** A 6-person marketing communications agency located in the Southeast.

**EXAMPLE 2:**  
**WHAT THE CLIENT ACCEPTED**

**The job:** Package design of 5 labels and 2 packages of various shapes and sizes.

*Phase I*—input/development of up to 6 directions: \$11,250

*Phase II*—design refinement: (single direction): \$ 7,500

*Phase III*—finalize package and label variations: \$10,500

*Phase IV*—design implementation (5 packages, 2 labels) including electronic files: \$ 9,000

*Out-of-pocket expense:* \$ 750

*Total:* \$39,000

*Possible extras*—additional services available as needed.

Structural (5 pckgs): \$ 3,000

Photos (per day): \$ 2,500

Illustrations (each): \$ 2,000

Hand lettering (hrly): \$ 150

Print supervsn (hrly): \$ 150

**Estimating summary:** Phase I—15 hours of client meetings, 15 hours investigational research, 45 hours of design. Phase II—50 hours. Phase III—20 hours of client meetings, 50 hours of design. Phase IV—60 hours of design. Out of pocket expense—special supplies. All time billed at \$150 per hour.

**The creative firm.** A 12-person West Coast design studio.

**EXAMPLE 3:**  
**WHAT THE CLIENT ACCEPTED**

**The job:** 20-minute executive speech with no visual support.

*Obtain info/direction*—meet with corp PR staff: \$ 270

*Interview CEO*—get input, determine preferences: \$ 810

*Writing:* \$ 2,160

*Revisions:* \$ 1,080

*Out-of-pocket expense:* \$ 0

*Total:* \$ 4,320

**Estimating summary:** Obtain info/direction—2 hours. Interview CEO—6 hours. Writing—16 hours. Revisions—8 hours. All time billed at \$135 hour.

**The creative firm.** A freelance writer located in the upper Midwest.

**EXAMPLE 4:**  
**WHAT THE CLIENT ACCEPTED**

**The job.** Design of 64-page, 4-color healthcare annual report.

*Phase I*—development, includes all research, meetings, presentations and related job expenses: \$13,650

*Phase IIA*—10 original photos. Phtgraphy (inc. markup): \$12,500  
Art direction (5 days): \$ 6,000

*Phase IIB*—art & stock photos. Cover illustrn (buyout): \$ 3,000  
5 graphs (developed): \$ 2,250  
3 stock photos: \$ 3,375

*Phase IIIA*—mechanical art/disk preparation, including type and laser proofs for covers & 20-pg editorial section: \$11,250

*Phase IIIB*—mechanical art/disk preparation, including

type & laser proofs for 44-pg financial section: \$ 8,700

*Phase IV*—production assistance including getting print bids and print supervision: \$ 3,000

*Out-of-pocket expense:* \$ 400

*Total:* \$64,125

**Estimating summary:** Phase I—91 shop hours. Phase IIA—photography was \$10,000 flat rate, marked up 25%. Phase IIB—cover illustration was provided without markup, 5 graphs were figured at 3 hours apiece, stock photos were \$900 each, marked up 25%. Phase IIIA—75 shop hours. Phase IIIB—58 shop hours. Phase IV—20 shop hours. Out-of-pocket expense—mostly non-covered travel costs. All time billed at \$150 per hour.

**The creative firm.** A 25-person design studio located in the Northeast.

**EXAMPLE 5:**  
**WHAT THE CLIENT ACCEPTED**

**The job:** Look and feel redesign of 15-page web site.

*Phase I*—review existing and competitors’ sites: \$ 360

*Phase II*—develop 3 approaches with home page, lower-level screens and navigation: \$ 2,880

*Phase III*—comp screen presentations with color storyboard prints (3 approaches): \$ 1,620

*Phase IV*—provide site map, detailed screens and nav. elements for approved approach: \$ 3,150

*Phase V*—develop non-functional HTML page design for client presentation in browser: \$ 1,440

*Unanticipated chngs:* \$ 720

*Out-of-pocket expense:* \$ 180

*Storage medium:* \$ 100

*Total:* \$10,450

*Site coordntion (brly):* \$ 90

**Estimating summary:** Phase I—4 hours. Phase II—32 hours. Phase III—18 hours. Phase IV—35 hours. Phase V—16 hours. Unanticipated changes—8 hours. Out-of-pocket expense—color prints. Storage medium—discs and copying. All time billed at \$90 hour.

**The creative firm.** A freelance multi-media designer working in the Northwest.