



SPECIAL REPORT ON WORKING WITH CLIENTS:

INVESTIGATING A PROJECT. HOW MANY MISTAKES?

Once upon a time, not so long ago, there was this firm—we'll call it Hypothetical Creative Marketing. It was comprised of a couple principals and a few talented individuals, although it could as easily have been a freelance working alone. It had been in business for several years. Each had been better than the year before.

One day a new client called. It happened to be about doing a brochure, but it could also have been about an ad, or a web site, as it makes little difference for the purposes of our story.

Would Hypothetical be interested? The answer was yes. And it is here that we pick up the story, one of doing some things right, and some things wrong.

As we'll see, some of these are easily recognized. Some others are complex and easily missed. And still others are what *Creative Business* considers good or bad practices, but you may not. All, however, are commonplace among creative services firms today of all sizes.

To make our story a little more interesting, we've divided everything related into five types of activity. Each of these we'll describe in the way it unfolded. As you read along, we'd like you to note what you think Hypothetical did right or wrong, or at least what they might have done differently.

Then, beginning on page 4, we'll give you our opinion, and what we believe were the effects of their actions.

Now let's follow the job—a product-line brochure for a client we'll call Bigplans, Inc.—as it wends its way from genesis to print delivery.

THE MARKETING

How did Bigplans, Inc. come to call Hypothetical? Well, it wasn't through promotion or contact because ever since starting in business Hypothetical had been staying busy without any.

It turns out that a friend-of-a-friend of Bigplans' founder, Mr. Bigplans himself, had used Hypothetical a few years ago and said, "They do great work, very reasonably." This was good, because he was inexperienced in purchasing creative services, although knew what he liked and what he didn't. This was also an important project. Bigplans was a new, one-product company and the brochure was to introduce that product.

So it was on reputation, or word-of-mouth advertising, that Mr. Bigplans called Hypothetical Creative Marketing to produce the brochure his company needed to start selling its first products.

THE PRESENTATION

When Mr. Bigplans called he asked whether Hypothetical could come in to see him “tomorrow,” as he was anxious to get started and would be traveling for several days thereafter. Being a short notice coming at a rather busy time, Hypothetical asked to delay the meeting until Mr. Bigplans’ return, but he insisted.

So the next morning one of Hypothetical’s principals grabbed the portfolio for a meeting at Bigplans, Inc. After a twenty-minute wait in a conference room decorated in “nineteen-seventies industrial utilitarian,” Mr. Bigplans showed up, along with his Marketing VP.

The meeting began by Mr. Bigplans inquiring about pricing. This was followed by a half-hour description of the new product, his invention. Hypothetical then showed thirty or so portfolio pieces presented in the “this-is-what-we-did-for...” style, responding to questions in the process. Mr. Bigplans was vocal about what he liked and didn’t, especially unusual approaches. On one occasion he called in his administrative assistant to ask her opinion. The Marketing VP had little to say.

Halfway through the presentation Mr. Bigplans excused himself to go to another meeting, saying that the Marketing VP could handle things from here on.

Later, the VP asked for a rough “budgeting” estimate on the spot. It was for design, photography, and production of an eight-page brochure with the understanding that Bigplans would supply all copy and purchase printing. From the little information available up to that time, Hypothetical provided a “ballpark” price of \$6,500 “plus or minus.”

The VP then asked for a formal proposal and supplied a stack of material consisting mostly of engineering reports and product descriptions to base it on. He also indicated they wanted to get started right away.

The meeting ended with Hypothetical’s principal leaving her calling card and a few samples of their work and promising to have a proposal within a week.

THE PROPOSAL

The information it was to be based upon was confusing and insufficient. So rather than try to figure out labor hours, the proposal was based on similar eight-page brochures done in the past. Another reason for doing it this way: “We’ve got the job, so why spend a lot of time estimating? They need the proposal in a hurry, we can always revise the estimate later, and we can make money at these prices anyway.”

The proposal submitted was in the form of a standard 3-page letter of agreement. The price was \$7,900, broken into three phases: Phase I—information gathering and concept development—was \$1,500; Phase II—photography, art direction, typography and layout—was \$5,000, and Phase III—refinement and printing supervision—was \$1,400. There was no further breakout.

The proposal called for three rough concepts, one layout from the chosen concept, and one round of revisions. A tentative schedule was included, and payment was to be in thirds. No mention was made of an estimate expiration date. Nor was there anything about file ownership, or ownership of rejected concepts. A credit check was not done.

Soon after the proposal was sent over, the Marketing VP called and requested a meeting. He needed to find a way to get the price to \$6,500, the amount he had budgeted. He asked for further detail in each of the three phases in an attempt to find ways to pare back.

After some discussion it was finally decided to take \$500 from Phase I (fewer meetings), \$500 from Phase II (forego art direction of photography) and \$400 from Phase III (no printing supervision).

It was on this basis that the proposal was finally signed off. Work began, on schedule, a week and a half later.

THE DEVELOPMENT

The original proposal had assumed there would be two or three meetings to clarify the information, discuss approaches, and show concepts. Now, faced with a Phase I cut, Hypothetical had to accomplish this in a third less time than anticipated.

Hypothetical developed three different concepts and scheduled a meeting the following week. The Marketing VP and two staffers showed up, but Mr. Bigplans was absent due to having been “unexpectedly called out of town this morning.”

The concepts were laid out for consideration, which generated considerable discussion. It was finally agreed that each had elements the marketing staff liked and, therefore, they should be combined into one revised concept.

With the direction now decided, Hypothetical went back to work up a layout. It was also to incorporate the copy, which had been provided. However, the copy turned out to be too long, and cutting it back took several phone discussions, faxes, and typesetting changes.

Mr. Bigplans was at the next, layout/copy review meeting. He asked that substantial changes be made, mostly to accommodate his personal tastes. They had a negative impact on both scheduling and aesthetics.

Because photography was straight forward, art direction had been cut to accommodate the budget. Although the results were okay, the shoot, scheduled for half a day on site, ended up taking a full day.

Despite these unanticipated events, the project remained more or less on schedule. That is, until the Marketing VP called to say that the project had to be put back for a few weeks because they were having a supplier prob-

lem, and the product wouldn't be ready on time.

After a delay of a month and a half, the Marketing VP called again to say that the project was back on track, but some changes would have to be made. A quickly-called meeting detailed a need to reset copy to accommodate new features, and to do some Photoshop modifications to the product photo. The project was now well behind schedule and Bigplans asked Hypothetical to "pull out all the stops" to make up time.

Although this came at a time when Hypothetical was swamped with other work, they were able to respond to the request by working overtime, and getting in a freelance to do the Photoshop work.

Hypothetical made the revisions and delivered electronic files to Bigplan's printer within a few days. Several days later, the printer called about some difficulties they were having with the files. These were cleared up in the course of several telephone conversations.

A couple weeks later, after the job was delivered, the Marketing VP called to express their disappointment about the way it turned out. They felt the overall appearance didn't adequately reflect the significance of their product. In addition, the printing was more expensive and not as good as they expected. The printer had blamed both on "the quality of the files we had to work with."

THE ACCOUNTING

Hypothetical's production and tracking procedures were typical: each project was assigned a number and job card. By moving the card along a scheduling board, a project's status could be determined at any time. A file folder with the job number accompanied each project as it progressed through the shop and kept all its paperwork in one place.

The proposal was included in the job folder. Although employ-

ees had access to it, they were not told how much time to allocate to a particular function. They were, however, given a rough work schedule for the week at the Monday morning staff meeting.

Employees filled out time sheets in quarter hour increments daily and submitted them weekly. Work hours were entered by one of the principals onto either job or "house account" cards. The principals did not fill in daily time sheets for themselves, but did occasionally enter time to job cards when they felt it was called for.

Any changes to a job in progress were passed on verbally to the person responsible for that particular activity, and a note put in the job folder.

Payment was to be in three installments and Hypothetical had received the first check for a third of their estimate when the project stalled. At that point they had done nearly two thirds of the work. When work resumed, it was too late for progress payments, so one final invoice for all remaining work was sent at completion. It included additional charges caused by the delay, plus a 25% additional rush fee for the work done to meet the new deadline. The total of all invoices was \$7,300.

Bigplans called immediately after receiving the invoice. They were concerned about going over budget, particularly for a job they weren't pleased with. They didn't understand why there should be any additional charges because of the delay, and objected to the imposition of a 25% additional fee for rush work. Hypothetical explained the delay charges as the extra costs that were necessitated by rescheduling the project; the explanation for the rush fee was the overtime and freelance fees they had to pay to complete the job on time.

Bigplans replied that Hypothetical knew the budget was tight and should have

SUPPLEMENTARY ARTICLES AND INFORMATION

Listed below are articles that supplement this one. All are available for downloading from our web site: www.creativebusiness.com. They are also on CD2, our CD-ROM that contains all 1995 to 1999 issues. It can be ordered from the above web address, or through the order form on the inside back cover.

"Assignment Questionnaire"—December 1999 special issue.

"Contracts, Agreements, or Proposals"—June 1996 special issue.

"Dealing With Opinionated Clients"—July/August 1996.

"Dealing With Unwanted Client Contributions"—May/June 1999.*

"Dealing With Clients Who Want To Buy Printing"—Sept./Oct. 1999.*

"Estimating Pitfalls To Avoid"—Jan./Feb. 1995.

"Give Clients What They Want Or What They Need?"—Jan./Feb. 1997.*

"How To Promote Your Business"—February 1996 special issue.

"How We Work Together"—web availability only.

"Qualifying Clients"—March/April 1999.*

"Which Management Software To Choose?"—March/April 1998.

"Sticking To Your Estimates"—March/April 1999.*

"Ten Presentation Tips"—March/April 1995.

*Downloadable as part of the entire issue.

informed them before incurring charges that could result in an overage.

After some discussion Hypothetical agreed to reduce the overall bill to \$6,500.

And there endth our tale.

