# THE EDGE
Creating Wealth For Interior Design Professionals

Date        February, 2020

To:         Valued Edge Member
From:       David Shepherd
Subj:       Monthly Edge Newsletter

*[Special note about this edition: I have been in the process of converting my favorite articles from Edge Newsletters written as early as 2016 into a book. As I have worked on the editing, I have been struck with two facts: (1) Many of those articles are even more relevant today now they have stood the test of time, and (2) we have so many new Edge members that most have never seen these important stories. So, some (but not all) of the articles in this edition are drawn from years ago. Whether you find these a valuable review, or all-new insights, I hope you'll enjoy.]*

# The Dating Game

If you haven't already heard, you'll soon be hearing about my new six-week online course, *"How to Catch a Whale,"* designed to help you land the high-value projects in your market. <u>I'm convinced that over the career of a designer, catching occasional whales is the only way to generate true financial security.</u>

One of the six lessons in this masterclass, is referred to as the "*dating process"* and here's the story behind it along with an exercise I hope you'll complete.

I was working with a sole practitioner I've worked with in the southeast whom I'll call Grace. She's about 40 years old and has been plodding along generating between $150,000 and $250,000 a year in gross sales and keeping about $60,000 for herself. Do the math on $60,000——after taxes——and trying to raise two kids and recently divorced so only one income. . . And yes, she had an uncomfortable level of credit card debt. She even owed some back taxes.

I started talking to her about the need to catch a whale through a strategy of reaching key architects, builders, and other influencers. She immediately started shaking her head in doubt.

*"If you're talking about influencers like architects and builders,"* she said? *"Why would they give their clients to me?"* She started listing her reasons:

> *"I've never had a whale before——why would they trust me with my first one?*
>
> *"I don't have the sophisticated software that architects use, not even AutoCAD*
>
> *"I don't even have an office; it's just me and my dining room table with my kids and dog running around*
>
> *"My website and other collaterals need updating——people could be disappointed*
>
> *"I can't really separate myself from other designers, we all do the same things."*

Knowing Grace pretty well, and that she is divorced, I asked her a very odd question: I said, *"Do you ever think about dating again?"*

She looked at me like I was crazy, blushed a little, and said that in fact she was going through that process right now using one or two online dating services. Over the next thirty minutes, as discreetly as I could, I teased out of her what she wanted to know about the men she would be interested in contacting. And let me tell you, the list was long. She wanted to know:

- How old were they?
- What college had they gone to or had they gone to college?
- Had then been married and how many times?
- How many children did they have?
- Where have they worked and where do they work now?
- What sort of music do they like?
- What sports do they play?
- Do they like to travel? Where have they been?
- What do they like to read?
- How tall are they?
- Do they have hair? (Is it *their* hair?)
- Do they workout?

The list went on and on and she spat these queries out like a machine gun. When she paused to take a breath, I managed to ask: *"And what do you know about the architects and builders and key influencers in your market? Since I am asking you to "date" one of them, how much do you know about them?"*

Her answer was predictable: *"Uh, nothing really."*

So, just taking architects as an example, I shared with her a list of the top 10 things that architects find most challenging, and for each one I asked her to jot down something that she could possibly do to

make that thing easier or unnecessary for these influencers. To put herself in their shoes and in the position of doing them a favor.

It turns out that architects and builders are a lot more like interior designers than you might think. Most of them are sole practitioners or run very small firms and are struggling with many of the same issues that affect designers. Sure, big cities have their giant firms, but we're not going to worry about them.

So, can you guess what the number one challenge of architects is? It's finding new work and sustaining their income. Sound familiar? Do you ever think about it in those terms? I bet you always imagine that architects are extremely busy, almost too busy to talk to you. But that's simply not the case. <u>Most are every bit as worried about their pipeline as you are about yours. And does that give you an idea?</u>

Forget going to architects hat in hand and asking for jobs; think about how YOU could lead them to business or make their lives easier. Think they'd want to meet with you under those circumstance? You see, it's all about positioning and understanding the psychology of persuasion. It's all about knowing how to phrase a letter. How and when to follow up and with what. It's persuasion, sequencing, scaling, and developing your Christmas Card List.

Your goal should be to discover an "*angle*" that you can take advantage of to be someone they want to speak to, someone who can help them. In return, they'll help you. I've seen it happen countless times.

Here are some of the "Top 10" challenges that architects face. Builders and realtors have their own list and you can focus on the one, or ones, that are most influential in your market. As you're reading through the list, I want you to create a list of the things that architects have to do that they may not like to do, or may not do well.

Okay? Here's a brief tour through the Top 10 with some hints along the way. Remember, take notes and keep in mind that builders, realtors and other influencers may have a different list. If that's a core referral market for you, you'll need to do the preliminary research.

**1) The challenge of finding new business and sustaining revenue.**
Sound familiar? Most architects are sole practitioners or run very small firms, just like most interior designers. They face feast and famine and empty sales pipelines, just like you sometimes do. If you can lead an architect to a project, you can rest assured that they'll return the favor many times over.

**2) Arguing for good design over cheap and fast.**

I wonder if it ever occurred to you the frustration that an architect must feel when he or she imagines their gorgeous plans being placed in the care of a contractor, a team of subs, and the *dreaded* interior designer! Or even worse, what if the contractor decides to make some "*decorating*" choices on his own? Would this architect be attracted to a designer who would coordinate and stay in touch to help ensure his *"design aesthetic"* is adhered to?

### 3) Architecturaal Stereotype.
That's right. . . architects who completed a survey said that they consider the stereotype of them as elite, creative martyrs as something they have to overcome. But isn't that the stereotype that many designers have of them as well? Maybe they'd rather go eat barbecue ribs or crab legs with their hands than dine at the elegant restaurant you had in mind. Maybe that's why one Edge member had a great turnout to her event——an *axe-throwing contest*!

### 4) Making Time for Hand Sketching
Architects say that they suffer from too many administrative tasks and too many software-based drawing tools. Most architects think good design requires hand sketching and that takes time. Can you help here? See the sidebar for the story of one Edge member.

### 5) Finding Great Materials
You are certainly familiar with this one as the specification process can be a nightmare. But no matter how much the hassle, if you have good sources and good tools to keep track, perhaps you could offer to help in various stages.

### 6) Bridging the Generation Gap
I've been at this so long that I don't know whether to laugh or cry when I hear yet another Edge member say that his key influencers have all retired. . . or died! This has exposed a generation gap. Particularly if you are a younger designer, the ability to help older architects tap into millineals could be a huge favor for them. (I'm smelling a special report for area architects on that topic!)

### 7) Keep up with ever-changing hardware.
While we usually think of software as

*The Edge, February 2020*

### *Offloading Their Pains-in-the-Rear…*

*Most professionals have something they really don't like to do, and most would love a way to automate or outsource that task. For example, CPAs don't want anything to do with payroll, but to keep their clients happy they'll offer a bookkeeper or 3rd party program.*

*One Edge member found a very influential architect that just hated one aspect of his projects——adding lighting and electrical plans to AutoCAD drawings.*

*The Edge member said, "Don't worry about that… just email your files over and we'll take care of it."*

*By doing a favor, a favor was returned in the form of the architect introducing this designer to his clients as his designer-of-choice.*

being most subject to change, there are occasional changes that can tilt the playing field in hardware as well. Perhaps Microsoft's dual screen Surface tablet, or 3D printing, or virtual reality are things you've researched and could share with your local influencers, perhaps over lunch.

**8) Keeping up With Software**
Even faster-moving than hardware, are you up to speed on Revit, ArchiCAD, Vectorworks, mobile apps, BIM, Asana, and on and on and on? Why not share your knowledge with those who could benefit?

**9) Grappling with Politics**
Whether it's municipal governments, zoning commissions, trade associations or even licensing bureaus, architects are often at war with someone. Do you know a city councilman? Have you worked through a process before? Could you launch a petition or testify at a variance hearing?

**10) Making Time for Self and Family**
Here's another one you probably empathize with and that is that many architects suffer from a competitive drive and notorious perfectionism that can lead to fatigue and burnout. Perhaps you could tempt them with a golfing weekend, or a trip to Vegas, or you could give up and send them some caffeine. Either way, you can tap into this reality for just about every working professional.

Now, if you've thought about the exercise I assigned as you read this list, you probably have half of what you'll recognize as a "matching quiz." You have the right half which is filled with tasks that architects struggle with. (See below.)
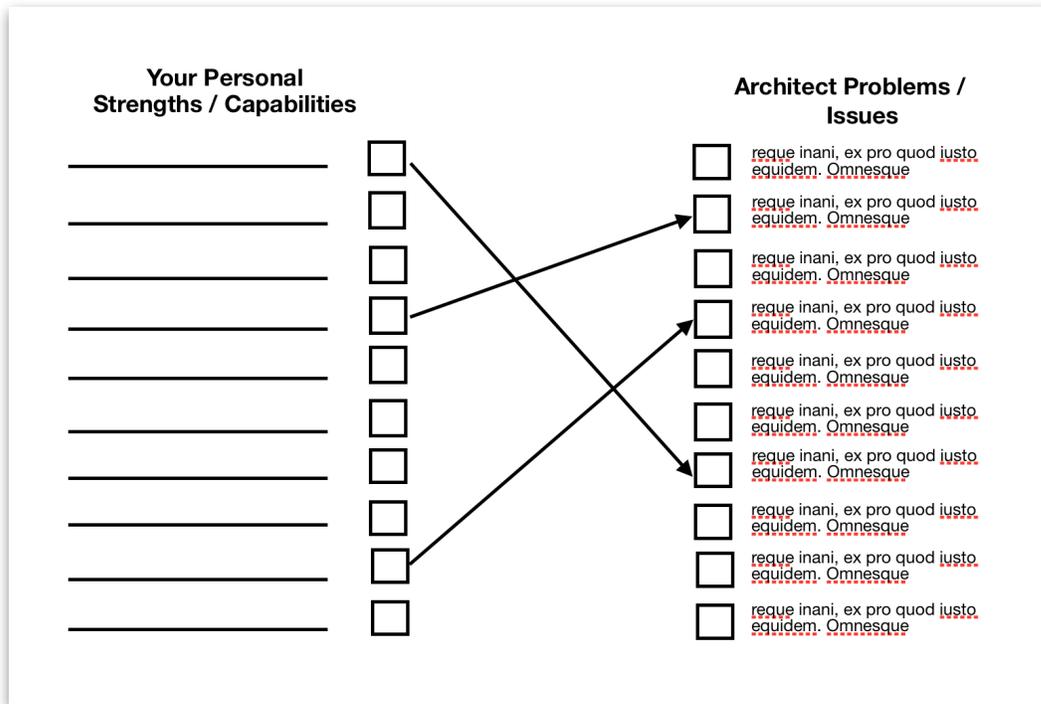
Then, just as I asked Grace to do, you can enter on the left-hand side the tasks that you are really good at, or the unique capabilities that you offer. Lastly, just draw arrows from your strengths or capabilities to the "*matching*" pain points or weaknesses of your influencers.

It might look something like the chart below. Now you know which influencers you're the perfect "*date*" for and can use your best marketing tactics to reach them. . . or, you could join my *"How to Catch a Whales"* course!

**Your Personal Strengths / Capabilities**

**Architect Problems / Issues**

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# Does Design Take Courage? (Hell Yes!)

As an interior designer, you may not think of yourself as courageous, but you truly are. It takes courage to put yourself "*out there*," and courage to manage a very complex business.

A book entitled, *"The Courage to Create"* by Rollo May is an academic work, but as I read it I kept finding myself thinking about my interior design clients and I'm curious to see if you agree.

Normally, we would think of the word "courage" as in:

• The courage to go into an arena filled with lions, or
• The courage to throw oneself onto a hand grenade to save a friend.

But the idea of linking courage to creation intrigued me. Isn't that what interior designers do every day? Create? Do they need courage to do what they do every day? Does it take courage to create the designs you create?

To answer those questions, I wanted to know what courage is. And, of course, what creation is.

The author, Rollo May, was an American existential philosopher who lived from 1909 to 1994. We could spend a day debating what an

"*existentialist*," is, but for the purposes of relating work to business, let's just say that an existentialist is a "*no excuses*" person.

While he did not travel the typical Ivy League academic path, May's brainpower was unquestioned by his peers. Among his many works, his study of creativity set him apart and gives us much to think about.

Not all entrepreneurs think of themselves as working in creative fields, nor do they view themselves as particularly creative individuals. As an example, the owner of a pest control company, or law firm, or a CPA may not consider themselves "creative."

But May would disagree, noting that creativity can be applied to any aspect of an enterprise, not just the obvious ones. Creativity produces a "*result*" such as design, art, arrangements, images, or in the case of the pest control operator, dead bugs. *Results* in this context mean the solutions that a customer actually receives in return for procuring your products and services. Ideally, the result you produce as a result of your creativity is part of what most would call, your "purpose."

## The Purpose of Life

Both theologians and evolutionists would agree that the purpose of life is to create life. Or, as May says, *"We express our being by creating."* For those who search endlessly for some "greater purpose," it could be at once a huge relief and a source of empowerment to realize you've always had it——it's what you create.

> *And if your purpose is to create, and creation takes courage, then it takes courage not only to create but to pursue your purpose.*

This is in line with a growing body of science that says that purpose does not precede creation, but that it's actually the other way around. If we become good enough at creating, a purpose will grow up around that.

Purpose and passion, this new thinking goes, are not the chicken and egg that we've been lead to believe. **Creation comes first and leads to passion, which results in purpose.** Said another way:

> *It's not that you felt your purpose was to create great designs and therefore learned the skills, but rather you developed the skills to create great designs and through that, discovered your purpose!*

To summon the courage to create day after day requires that you be *"moving ahead"* in a direction that you truly believe is consistent with your most honest, most authentic view of yourself.

James Joyce, author of the literary classic, *A Portrait of the Artist as a Young Man* introduced us to a young character who wrote the following in his diary.

> *Welcome, O life! I go to encounter for the millionth time the reality of experience and to forge in the smithy of my soul the uncreated conscience of my race.*

I know this sounds a bit pretentious, but hang in there for a minute as I think you'll relate to my interpretation.

A "*smithy*," in case you're wondering, is the workshop of a blacksmith, a place normally associated with a hot forge and otherwise miserable working conditions. To have to go to one's "*smithy*," is to prepare to toil, not to watch the birds soar above fields of sunflowers tilt in the wind.

I don't know about you, but even though I love it, I consider running a small business more like going to a *smithy* every day than frolicking in a field of flowers.

Joyce continued: "*I go to encounter for the millionth time...*" In other words, Joyce is pointing out that every creative encounter is a new event, and each time requires yet another summoning of courage. In other words, it never gets easier yet still we get up and go each and every day.

The reference to the "*uncreated conscience of my race*," would, in today's vernacular, simply be translated as something like, "*to make something of value for human life.*"

So, a modern day interpretation of Joyce's line, the interior designer's interpretation, might be:

> **Life. Each and every day, a hundred times, I overcome the many obstacles by calling on the courage that comes from the knowledge I am creating value for the lives of others, and through that I find my passion.**

What I love about this concept is that courage is called upon to deal with the countless small activities that businesses spew out. Normally, the very word "*courage*" is reserved for death-defying, death-denying, life or death actions such as those taken by soldiers and firemen.

Which can make us almost embarrassed to refer to ourselves, or even think of ourselves as courageous. But if you are an interior designer, you are courageous because it takes courage to create, courage to manage, and courage to compete.

# When a Niche is Not Niche Enough

I could spend this entire newsletter, and hundreds of pages more debating the age-old strategic planning question, *"What business are you really in?"*

I have many coaching and consulting clients who the casual observer might think are in the "*interior design*" business, but I know are really in very different businesses. One understands that he is in the business of *marketing* interior design services. Another is in the business of supporting key architects and influencers, and another understands that social media is her real business. (That's rare, by the way.)

The business that you're really in, of course, depends on the niche you have targeted, and this is where you and I are both guilty. I'm guilty because when new members join my Edge membership, or sign up for a course I often ask them to answer this questions:

What's your primary niche? And I'll give them the following choices:
• High-end Residential
• Kitchen & Bath
• Commercial
• Blended Residential and Commercial
• Other

And you're guilty because more often than not, members pick from this list without complaint, even though these are really not niches at all. <u>It can't be a "*niche*" when some thirty thousand interior designers would answer this question in exactly the same way!</u> **It's simply not a niche if everyone else is also there!**

## Stuck in the Chasm

Many designers are caught in what is known as the "*chasm*" between their earliest adopters and the much larger, mainstream clients. Mainstream clients are very, very different, and will choose you based on different rationale, but because you move so quickly from job to job, it is difficult for you to see the clear delineation.

If we imagine a bell curve, I bet that you would not hesitate to place the first few clients you ever landed far away from a typical client of today. That is, they took a chance on you, and maybe you took some chances on the designs you created for them.



But as your business matures and grows, and average job size increases, your goal is to move into the center of the bell, that is to say, into the mainstream.
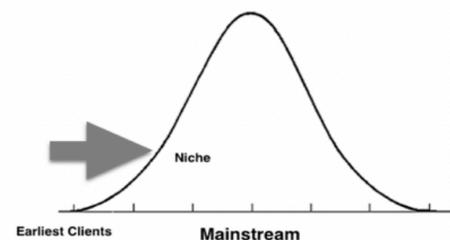
After all, this is where the majority of potential clients exist. But their buying criteria is often different from those who took a chance on you early on, the early adopters, and in most cases, they are more conservative. They need referrals and they need proof.

**To enter the mainstream is an act of aggression.** The designers, architects, builders, and others who have already penetrated this market, and who have established relationships and reputations, will not welcome your arrival. The customers themselves will be suspicious of some new, untried player in their market.

It is hard to be aggressive and nice at the same time, and the moment of *"crossing the chasm"* is not the time to play nice. This is, after all, a life and death moment for a business. They will either move into the mainstream where there are enough ideal customers to provide a steady stream of substantial jobs, or will forever be stuck scraping up the crumbs at the margins.

### D–Day

Unfortunately, this big mainstream cannot be attacked all at once any more than France could have been liberated all at once during WWII. Rather, while occupied by Nazi Germany, the Allies had to develop a focused, very narrow strategy to simply get a foothold from which they could then expand their *"share."* The foothold they chose was Normandy, and most Americans have learned of the success of that operation, though not without the enormous loss of life. To say the invasion of Normandy was *"aggressive"* would be the understatement of the century.

**For many members of The Edge, the mainstream could be called "*high-end residential,*" which means**

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### *The Advantages of Dominating a Niche*

*Nearby, I referenced a designer who worked on a large and elegant home for a professional golfer. But that was just the start of the story.*

*The golfer has been ranked #1 in the world within the past five years. He has won major championships.*

*He lives in a community chock-full with other world-class golfers.*

*The designer didn't just design his home, but she cleverly and strategically created an "equipment room" that would make every other golfer in the world (professional and amateur) say, "I want that!"*

*In this case, the equipment room looked like a spa at a Four Seasons, with the addition of countless golf bags, clubs, putting greens and a large indoor video golfing range.*

*Think of the buzz when these photos hit "Golf Magazine" and other pubs. Think of the word-of-mouth when the golfer invites his playing partners over to show off. Think of the targeted market. (I'd start with a list of the top 100 golfers in the world and major country clubs in my market.)*

*And talk about your Trojan horse! What a great way to get a foothold into this wealthy niche for whole-house solutions.*

**that a true niche has not yet been identified.** As noted, these mainstream customers will rely on the references of others, meaning you must overwhelm your clients with outstanding customer experiences. Their experience must be something they truly want to share with others, because those in the mainstream will want to hear it. (In person, from your website, etc.)

I suppose the Allied forces in WWII could have invaded *all* of France at the same time (south, north, east, and west, air, ground, and sea) IF they had had the resources to do so. But of course they didn't. No one does.

And I suppose if you had a few hundreds designers and a few million dollars to spend on advertising, you could attack the entire *"high-end residential"* market at one time, but of course you don't. No interior design firm does.

Thus, focusing on a tiny entry strategy into the mainstream and seeking that foothold, is both a blessing (from the marketing standpoint of being able to focus limited resources) and a necessity.

## You don't really have a choice

Firms that fail to cross the chasm fail because when confronted with the immensity of the opportunity (think of winning every major new construction and renovation project in the most desirable communities in your area!) they lose focus, chase too many opportunities, and find their true expertise watered down by trying to be all things to all clients.

To capitalize on the power of a clear niche, you must also make a clear distinction between sales and marketing. Consider these designers:

**Designer A:**
Performs a renovation on an 8,000 square foot Oceanside home. Her client is a professional golfer and many other pros live in the same area. She has secured three other golfers as clients in the same community over the past two years.

**Designer B:**
Performs a fabulous new construction project in the *"old money"* part of her town in the Deep South. The same designer then says *"yes"* to the fun-sounding challenge of a ski lodge for a former client. The lodge is in Colorado. She also agreed to *"decorate"* a condo for the daughter-in-law of another former client.

Which client in this case is more likely to talk to other potential clients about this designer and his or her work? Which is in a position for word-of mouth and reference marketing to work? Who is building a market as opposed to just making a sale? Who is becoming the *"go-to"* designer in a true niche and who is beginning to *"own"* a market? Who has built better barriers against competition?

An "*owned market*" can take on some of the attributes of an annuity——a building block in good times and a place of refuge in bad with far more predictable revenues and lower cost of sales than can otherwise be achieved.

## Your Trojan Horse

I have often referred to this method of attack as adopting a *Trojan horse strategy*. That is, learning to understand your own strengths so well that you can use them as a point of entry into the mainstream market, and then use that foothold to expand into what we might call, the "*whole product*."

Focusing on kitchens offers a good example, as I would argue that even this "*niche*" description is not narrow enough. There are still thousands of designers who call that their specialty, and as we saw at the outset of this article, a true niche can be "*owned*" by only a handful of competitors within a given market.

Perhaps that's why some Edge members go further and _own_ niches like:
• Kitchen Renovation for extremely small spaces
• Kitchen Renovations for historical homes
• Kitchen Renovations for under $45,000!
• Kitchen Renovations for chefs (Or those who want to be!)
• Kitchen Renovations with full design/build under one roof
• Kitchen Renovations in weeks, not months.

These niche specialists could be said to have mastered the art of "*positioning*," which is one of the most discussed and least well understood components of marketing. To get it right, think of positioning as a noun, not a verb. Positioning is what you *are*, not what you do. It's what you *own*.

Positioning is when you ARE the coolest kitchen designer for small spaces, not when you have spent thousands with PR firms and website designers to try and "*position*" yourself as such.

Positioning is the single largest influence on buying decisions. It serves as sort of a buyer shorthand, shaping not only their final choice of designers, but how they evaluate the alternatives leading up to that choice. (Rest assured that if you don't consciously position yourself, others will do it for you and you probably won't like the results.)

Positioning is only valuable when that "position" already exists in other people's minds, not in words on your website! I can't emphasize that enough. When it comes time to reduce your positioning statement to words (for your tagline, pitch, website, Facebook, etc.) you must use words that are already in the heads of prospective clients. As one famous direct mail expert says, *"You must enter the conversation already taking place within their minds."*

Taking the examples above, the designer who owns the *"small kitchen"* niche would not spend much time talking about his or her own capabilities; they would focus on a message that is already in the client'd mind such as:

- *"My kitchen's too small to do anything with."* (K&B Renovation for Extremely Small Spaces)
- *"I want every aspect to be historically correct."* (K&B Renovations for historical homes)
- *"I'm just not going to spend $100,000 on a kitchen!"* (K&B Renovations for under $45,000!)
- *"Who even understands the professional-grade appliances I'm interested in?"* (K&B Renovations for chefs, or those who want to be!)
- *"I want one person responsible for everything…no finger pointing!"* (K&B Renovations with full design/build under one roof)
- *"We're not going to have our house torn up for months."* (K&B Renovations in weeks, not months.)

<u>What is the conversation going on in your ideal clients mind so that you can hit them with your singular expertise and have them say, *"Aha! This is the designer I need to talk with?"*</u>

If you truly understand positioning as a noun, we can talk about positioning as a verb——the actions you'll need to take to bring about positioning as a noun. Go ahead and look at the list above one more time and consider the different skill sets each designer would need, including design skills, sourcing, contracting, marketing, etc. They're very different!

Once you've got something focused that you can go to the market with, be careful because this is the point where many designers focus on themselves and how best to <u>sell</u> this niche service, when what is needed is to focus on the client and how best they *can* buy this niche service.

Think about that. Most consumers of anything naturally resist selling but enjoy buying. By making your process easier, and more fun to buy, you are focusing on what the customer truly wants. Thus, easy to buy becomes easy to sell.

As an example, one Edge member who fills the *"kitchens for chefs"* niche, makes doing business with her fun as she makes clear the first step in evaluating each other is that the client invites her to dinner! She'll bring the wine, but she'll also bring her sketchpad and observe every move her clients make while preparing a meal. She'll even add little paw prints to her sketch to track the flow of the family dog!

The goal of positioning, therefore, is to create a space inside the customer's head called "*my best buy for this type of solution*" and to attain sole, undisputed occupancy of that space.

# How to *"Nudge"* Your Clients

Have you ever been on one of those simulator rides at Disney World or other places that make you feel like you're hurtling through space, or perhaps down to the center of the earth? Isn't it amazing how they can make you feel like you're twisting 180-degrees back and forth, spinning, and lurching to and fro?

Sure, but what's really amazing about that effect, is that it is done with relatively small actual movements. It turns out that our inner ear is so sensitive to imbalance that just tilting the ride a foot or two——or sometimes only inches——and then continuing the sensation with powerful audio/video and sensual effects (like wind) can trick us into thinking we truly are on a wild ride.

In other words, the technology had but to "*nudge*" us, because in some ways we are pre-wired to turn that nudge into a full-fledged experience.

It turns out that the same thing is true in the world of human decision making. A simple nudge this way or that, can lead to a strong commitment by a consumer, sometimes even if that commitment may not be in their own self-interest.

Richard Thaler and Cass Sunstein wrote a book by that title, *Nudge*, a few years ago and explained in great detail how public wellbeing can be impacted by nudges.

The easiest form of nudging someone is by offering them default choices. This has been studied in depth and written about extensively over the past few years, yet it never fails to make me scratch my head when I review the data.

For example, American citizens have among the *lowest* rate of organ donations worldwide because our politicians decided that we should have to *"opt in"* before someone can harvest our organs after our death. As a result, only 28% of Americans opt in despite 85% saying they'd like to, or meant to, or probably will. . .

Meanwhile, in European countries where the default is that all citizens are automatically organ donors unless they take the step of *opting out*, the ratio is reversed as fewer than 25% opt out leaving more than 75% available to help others. This as opposed to 28% in the US. The difference? The way the option is presented.

This caused one group of researchers to study whether polished marketing prose or factual information could overcome the default choice. For example, researchers would present two default choices of hot chocolate, one with whipped cream and one without. Then, they

would introduce language designed to get the subject to opt out of the default choice and make a different one.

Here are the results:
• When the default was hot chocolate <u>with</u> whipped cream, but pains were taken to explain that the drink would be healthier without the whipped cream, 80% stuck with the whipped cream default choice.
• When the default was hot chocolate <u>without</u> whipped cream, but pains were taken to explain how much richer the taste would be with whipped cream, 80% stuck with the default of no whipped cream.

In other words, the accompanying language didn't matter at all. All that matter was the arbitrary default choice.

Now let's turn this spotlight on you and consider nudging customers in ways that do not negatively impact them, but positively impact you. One obvious area is in pricing.

## Nudging on Price

<u>Never a week goes by that I don't hear a coaching client express some exasperation about pricing.</u> I've known very successful designers for over a decade who consider changing their pricing strategies every year. Should they charge for time? Charge for merchandise? Charge hourly or in a lump sum fixed fee? Take retainers? Apply hours to purchases? Purchase at cost? Show the costs of merchandise or not? (Transparency.)

Even those who have found a system that has worked for decades will occasionally run into a customer who threatens to break the system. A customer who asks up front, *"How do you bill?"* and doesn't like the answer. Or, worse yet, gets well into the middle of the project and then pushes back on how much, how often, or just how they are being billed.

**<u>It is possible to "*nudge*" customers toward the billing process that YOU would most like to employ by creatively using defaults.</u>**

A coaching client told me just this week about a prospective client who was pushing back on invoices.

After some brainstorming, I proposed to her that she perfect a script along the following lines, with the hypothetical customer being named Angie.

*"You know Angie like every other interior designer, the most valuable thing I can offer you is my time, and that time is available on most projects in three key areas:*

*1) There's the time I spend using my training, talent, and experience to actually offer creative designs for your space. This could include colors, layouts, textures, and even a preliminary plan for furniture and fixtures.*

*2) Over the past twenty years, I have developed deep relationships with manufacturers, craftsmen, fabricators, work rooms, builders, painters, installers, and more. I've done the pre-screening for you and only work with people who know how to get things done on time, on budget, and just right. I can put that network to work for you, including buying merchandise for which you will always pay less than retail.*

*3) Based on experience, staff, software, and other tools, I can manage entire projects, starting with working closely with architects and builders, and making sure all items and all people come together at the right place, at the right time to create an incredible experience for you.*

*So that's what I bill for——some combination of talent, experience, contacts, and project management. These are typically broken down into time which is billed hourly, merchandise which bears a management fee, and project management which is billed monthly.*

Of course we could break these three phases into dozens of possible pricing methods from time to flat fee to discounts from retail or markups over cost, or percent of construction budget and on and on.

**There is no one-size-fits-all when it comes to pricing. I wish I could hand you *"the answer,"* but after twenty years of trying, I realize there never will be just one answer.**

Better yet, why not find the one that works best for you and then get your clients to happily accept it by "*nudging*" them with your default options. What your preference is, becomes the default, the *nudge,* and just like with hot chocolate and whipping cream, the vast majority will comply without complaint.

*Now, go earn what you deserve!*

David

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