Framework For Creative Business Success

- 1. Define Your Why
- 2. Website
- 3. Unique Positioning- Playing a Bigger Game.
- 4. Finding clients
- 5. Have systems in place for your creative business.
- 6. Pricing and Money Mindset
  - Know what your expenses are and how much you need to make.
    - Overhead
    - Materials/supplies
    - Continueing Education
    - Salary
    - Savings
    - Retirement
    - Profit
    - Taxes
  - Hourly or by the project
    - Typically presenting price to art buyers by the project is more advantageous for the artist. Art buyers are more comfortable knowing what the final fee will be for a given project versus an open ended hourly fee structure.
    - Also, a disadvantage to presenting hourly charges is that clients will inevitably compare your hourly fee to what they make, or what others make per hour, creating an emotional barrier/resistance to your pricing. Better to avoid this landmine.
  - The truth about charging higher prices
    - You get what you pay for.
      - Expensive=good mindset
        - Most of us have been conditioned through experience with the idea that higher price equals better quality.
        - •Price of a product increases with it's worth. •Higher price typically percieved as better quality.
        - When customers want good art without knowledge of art, other than personal taste, they understandably rely on cost to determine arts value.
        - Price priming
          - A $1,000 piece of art doesn't sound so bad when anchored next to a $10,000 piece.
  - Discounting/sales
    - Most artists discount their work because it's the only way they know to entice people to buy.
      - You actually hurt your sales and your value in the long term by discounting your artwork
    - Should I discount my art?
      - No. Not usually. And if you do, you should have a very special and compelling reason as to why.
      - Art is a luxury product
      - Maintain a range of offerings at different price points, so that you can redirect your prospects to the choices that fit their budget.
      - Lack of marketing and negotiation skills is not a good excuse to discount your art.
      - People like to have ra reason for what they do. If you do discount your work, have a good reason for the limited discount. • a special occasion like a birthday, anniversary, etc.
    - Avoid Bargain bins of your none selling, inferior quality work
      - It confuses your buyers about the true value of your work.
  - Pionts to consider in pricing
    - Usage
    - Turnaround Time
    - Budget
    - Reputation/status
    - Availability
    - Complexity/time
    - Materials
  - My Secret Price Formula Sollution
    - Many artists are lost when it comes to pricing. The easiest way I have found to find your starting point is to eliminate the emotions of pricing and rely on simple math.
    - After coming up with your personal, business expenses and income goals (above), you should have a relatively good idea of what you need/want to be earning per year.
    - Take the number you want to earn per year and divide by 1000, that gives you your minimum hourly rate... OR...
      - If your income goal is $100,000 per year, you charge $100 per hour. If your goal is $60,000 per year, you charge $60 per hour. If your goal is $130,000 per year, you charge $130 per hour. Simple right?
      - The above formula assumes 48 work weeks, with four vacation weeks per year. With 21 hours per week of billable hours.
      - The result of the above is the minimum amount you want to be earning per billable hour when working on your projects to achieve your financial goals.
        - Be careful here. Many artist's tend to over estimate the number of billable hours they can actually bill in an attempt to arrive at a lower hourly fee. DO NOT MAKE THIS MISTAKE.
        - If you are working for yourself, 1/4 to 1/3 of your time will be dedicated to business building activities such as marketing, networking, administrative tasks, continuing education and self development.