



BUSINESS OF WEB DESIGN - *A nerd's guide setting up a web design business.*

By: Stefan Mischook

Preamble:

This document is currently a work in progress. It is essentially the outline of a series of video tutorials I am building for the web sites:

www.idea22.com
www.killersites.com

Should you have any questions or comments please post them at:

<http://www.idea22.com/forum/viewtopic.php?id=23>

Thanks,

Stefan Mischook - August 07 2007

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Web Design Starting Equipment – hardware and software:

One of the great things about the web design business is that it doesn't cost much to get started. In fact, it probably one of the least expensive high paying businesses you can get into.

Following is a list of the hardware (physical equipment) that you need to start a web design business:

1. A computer.
2. A desk.
3. A comfortable chair.
4. A printer (maybe).
5. A telephone.

... And that's probably it!

Comments:

First thing, I should point out is that **you don't need** to buy a very expensive computer! Don't waste your money. Actually, web design takes so little computing power that you can easily get by with 5-7 year computer.

But, if you want to go fancy, don't get anything more powerful than a middle of the road (about \$500-750) computer.

Mac or PC?

Either is fine. I use both and my only comment is that the Mac will feel more stable (because it is,) but the PC will have more options in terms of software. It is a taste thing more or less, so go with what you like.

The Importance of a good workstation (that's a desk and chair):

Do yourself a favour and invest in a good chair and desk. Remember that you will be sitting there a lot and you ought to be comfortable. So try out many chairs and see what feels best to you ... be picky if you can afford to.

If you can't afford to get a dedicated chair, just remember to keep your back straight (good posture) when sitting down to work.

... Later when you are making piles of money, you can go out and carefully pick a super comfy chair for your butt.

About getting a printer:

Not at all crucial and you may never need to use it. Perhaps sometimes when billing clients or creating contracts for people to sign ... but you could always go to a Kinkos and do it there once and a while.

I do have a printer, but rarely use it for my web design related work. Again, as with the computer, don't spend much on a printer. Invoices, contracts and most things are better printed in black and white anyway.

You Need a Nice Web Site:

This may seem like a silly statement to make, but you'd be surprised how many aspiring web designers have ugly websites!

You need to have a simple to understand but good looking website that:

1. Makes you look professional
2. Has examples of at least 3 websites you've built.
3. Has your contact information readily available.

Business Cards – more than a nice touch:

If you plan on meeting clients in person, you will need to have a nice looking business card on hand. Those do it yourself cards that you print on your inkjet printer won't cut it ... they look like cheap inkjet printer business cards!

... Remember that the word 'design' plays an important role in web design ... you need to show that you care about how things look.

You can have professionally printed business cards made for very little these days, so do it! Don't get a lot though, the lowest amount will do (printers have minimums usually of around 100 to 250). Web designers typically don't need many.

THE WEB DESIGN SKILLS

This section details the web design skills needed to start a home based web design business. This may seem obvious to many, but I have had this question put to me many times so I figure it made sense to go over this topic.

I've defined 3 categories of skills:

- Foundation Skills
- Core Skills
- The Web Design Workflow (discussed later)

FOUNDATION SKILLS:

These are an absolute must - you need to know these things.

Understanding Domain Names:

- You should know what they are.
- How to choose them - in terms of SEO

Hosting Companies:

- You should be able to offer hosting - be partnered with a good hosting company.
- You should be able to pick a good hosting plan based on the needs of your clients.
- You should understand at least the basics of the server technologies that are available and you should understand what they can do.

For example:

- PHP
- ASP
- MySQL

I am not suggesting that you have to become a web developer (a web design who understands programming,) but you should have at least some basic understanding.

PS: [learning a little PHP](#) is always a good thing!

A Sample Client Scenario:

If say your client uses Microsoft products, you may need to go with Microsoft IIS server for easy integration with what they do in their office.

If you have a client that needs to set up a blog or CMS, then Linux/ Apache hosting would probably be the better choice because there are so many blog and CMS packages written in PHP.

... I think you get the idea.

THE CORE SKILLS

I am talking about the core web design skills:

- HTML
- CSS
- Web standards

You don't have to be a guru/master of these things, but you should have a good knowledge. That said, knowledge of these core technologies, is crucial to being able to leverage the web design workflow I mentioned above.

Web Standards and its' impact on the web design business:

In a nutshell:

Today, code is cleaner and modular: we've moved away from table-based design and sliced images from Photoshop.

We now design and build web sites in a very different way from what was done in the 1990's. And this new way has reduced the cost and time to develop a web site significantly. As such, the web design workflow is totally different.

You need to learn modern-day web design methods if you want to compete.

ON GETTING PAID

This is probably one of the most important parts of the course. In this section, we look at the many considerations with regards to billing, setting price and getting paid.

Get paid for all your time.

Your time is not just the time in front of a computer screen writing code. It is:

- Your time at meetings.
- Your time figuring out requirements.
- Your time chasing clients down for material (text, images) they need to provide.
- Your time researching options for a project.

I want to make a comment about the last point - researching options:

As a professional web designer, you should come to the table with certain minimal skills:

- HTML
- CSS
- Basic knowledge in design
- Basic knowledge in usability
- A general understanding of things like:
 - Blogs
 - CMS
 - E-commerce

That said, you shouldn't expect that you know every possible option and every technology. That is an impossible thing to have. I've been writing web pages and programming since 1994, have written commercial projects in 9 different programming languages and I still only know a small fraction of what there is to know in the Web design world.

Beyond those basics I just mentioned above, all that can be expected of you is the ability and the trained eye to be able to find options/solutions to whatever task a client may put in front of you.

In time, as your skills and experience grows, you will be able to do things quicker and better ... but then you can charge more!

... Back to getting paid for your time:

You need to calculate the time doing all those extra tasks for a web design project and work them into your price. If you don't, you will struggle to make a good living.

Remember that becoming a self-employed contractor has some risk, and can be challenging at first. So there has to be some sort of payoff in the end. That payoff is a good, to great income, and freedom.

Don't negotiate away the perks!

Build it into the price ... but don't tell the clients!

Some less experienced clients will take issue with being charged for time at meetings etc ... To prevent disputes I came up with a simple solution so as to get paid for all my time and at the same time, keeping the client happy.

Solution: pad your bids about 20%.

So for instance, if you think the job is worth \$1000 in web design work, give a price of \$1200.

SETTING YOUR PRICE

This for many of us, this is one of the trickiest parts of the process: setting a price that makes you money while still landing you the job.

Experience, an established reputation and a good relationship with your clients go a long way to being able to set a good price. But there are a few crucial things (beyond that) you can do:

Calculate how many hours it will take to do a job and then multiply that amount by 2.4. For example: after you do all your calculations you arrive at a price of say \$1000. Count on it being about \$2400 worth of work!

This may seem odd, but we humans have a tendency to under estimate the time it takes to do things. Like with most things, in time, you will get better at estimating and will be able to adjust that multiplier (the 2.4).

I got this number (2.4) from years of experience and from consulting with a relative who used to be a project manager for a big government research facility - this was his number actually, and I found it to be a safe one to use.

Billing clients:

There are two basic ways you can charge for a web design project:

- by the hour (often called 'per dium')
- by the job. This is the way you will run into most of the time because client tend to prefer this so as to know/control their cost.

The Top 3 Rules in the Business of Web design:

1. Get a deposit!
2. Get a deposit!
3. Get a deposit!

If the client does not want to give a deposit, it is time to walk away.

Notes:

There are two deposit schemes you can use:

1. 50% up front and the balance on delivery of the final project.
2. 33% up front, 33% on delivery of the first draft and 33% on delivery of the final project.

The best option is #2. Why? Because clients (even the honest ones,) will drag ass (at times) somewhere in between the time they see the first draft, and the final. So you may find yourself waiting for your money a long time.

During this time, where you are waiting for them to come up with photos or text ... whatever, it is better to have 66% of your money than only 50%!

And the best part about this, is that many times, when you've reached the 'first draft' stage of a project, you are probably haven't completed 50% of the work! Translation: you've actually taken in more than you've worked for.

Final point:

If you find yourself in a situation where a client made you wait a long time for the final elements (the text and the photos etc ..) and they all of a sudden appear (at some later date) and expect you to finish up right away and you're busy on another project, **make them wait.**

Let them know that you have a schedule to respect, but you will fit them in as soon as you can.

You can't punish your new clients for the laziness of your old clients. That said, if one of your lazy old clients is a big client – give them some special treatment!

Contracts: (provide template)

All jobs should have a contract. Otherwise you are asking for major trouble.

Notes:

1. Contracts should specify the payment terms. (Ex: 50/50 or 33/33/33)
2. Contracts should be signed by both parties (that's you and the client) and each of you should have a signed copy.
3. Contracts should list all aspects of the web site – down to the buttons!

Finishing contract: (provide template)

Once the contract is fulfilled, it is important that you have the client sign-off confirming that the work is complete to their satisfaction. Otherwise, you will find yourself doing extra work a few days, weeks or even months down the road.

The two ways to set your price:

There are two basic ways to price out a web design job:

- 1) By the hour – often called: per diem.
- 2) By the job. Many clients prefer a fixed price for a website. In these cases, a detailed contract is very, very important. I put 'very' twice because it's really freaking important that you have a detailed contract in these circumstances!

THE BAIT AND SWITCH: How to properly set your hourly rate to get the job in the first place.

I couldn't come up with a better name for this tactic I developed, a tactic that goes a long way to getting your rate (per hour) while still making the client happy.

For example: let's say you want to make \$50 /hr for your time (I would easily get \$125-\$200) but your prospective clients find the price per hour too high. This is what you need to do:

- a) Negotiate the price - let your client feel good about getting a deal and let them bring you down about \$10 / hr. Don't go too much lower, otherwise they will feel you were trying to rip them off or worse, they will start treating you like a cheap street walker.
- b) Compensate for the lower price by exaggerating the time it takes you to do the job! You see, your clients have no idea how long anything takes (that's why they hired you,) so don't be shy.

This simple tactic has earned me big money. Is this somehow dirty or illegal? No. It is just a way to get paid fairly. Whatever you do, don't be a jerk and charge way too much! Because (besides being dishonest) in time, your client will figure it out, and you will lose them and long term profit.

Client Questionnaire: (provide template)

One of the first things you need to do, after you've made the initial contact with a potential client, is to figure out what they want in terms of their web site, and what **you** will need to provide. This can vary a lot from client to client.

For example, the content:

- who will provide photos?
- who will choose the photos?
- who decides what text will be on the site?

These questions may seem silly, but you'd be surprised how many times I had to really work hard to get this information from clients. Many times, clients will have very little idea exactly what they want put up on their own web site!

WEB DESIGN WORK FLOW:

This chart sets the basic procedure from start to finish on how to manage a web design project from start to finish.

... to come.

GETTING YOUR PRICE ON YOUR WEB SITE?

Over the decade that I did freelance and ran a web design firm, I found that setting a low price did nothing more than attract low-ballers.

You have to decide what type of client you are looking for:

- Low end - template based.
- High end - design from scratch jobs.

If you are looking for volume ... lots of small clients, then you need to list prices and packages:

Complete website for \$199 ... etc.

... There is no point in listing prices for jobs that will start at \$1000 USD and more ... each one will require that a spec. be fleshed out to determine what exactly the client needs.

HOW TO BID ON A CONTRACT

First thing you need to do is get a feel for how long it takes you to build websites. Keep accurate timesheets while you work, even on your own project sites. Then armed with this knowledge, you can calculate your time to build a site.

Having said that, remember these key points:

1. Try to get a feel for the client - will they be picky bastards and try to micro-manage you, constantly asking for changes?

If this is the case, you have to charge more. Remember that your time in meetings, doing revisions and taking calls is part of the job. Many people new to web design only count their time behind the monitor - this is a recipe for poverty.

2. One page or ten pages - it still takes the same time to create a look.

I have had some debates about this; some of my web design buddies charge a flat fee for a site plus

extra cash per page and per extra feature like a Flash movie or server side scripting. Some will charge \$1000 base + \$250 per page. While other I know will charge \$2500 USD to start with up to 5 pages then charges extra per page. They both get work - it is all in the selling.

Another approach is to just calculate your time and charge by the hour.

3. Projects always take longer than you thought.

This is an old rule in project management that is time tested. Make your best calculations and then multiply that number by 2.4 and you get your real time to complete the project! So if you calculate 30 hrs, then count on 60. I would take the happy medium in my day.

4. Beginners are slower and will make less.

When I first started building websites my skills were raw - I could get the job done but the resulting website was not nearly as good as what I can do today, and it took me much longer. At the end of day, the reality is that junior web designers need practice and ultimately should expect to make less for their time until their skills mature.

How can you tell when your skills are mature: Just look on the web and compare your work to other web design companies - not hobbyist sites.

Today, my public web design work is minimalist in nature. I want them to be as simple as possible, because my websites are text-heavy informational websites. This brings me to my last point:

5. Design for the client not the technology!

When building your websites, try not to get caught up with the technology – ex: don't find a way to use Flash. Instead you should only use it because it makes sense to. At the end of the day fast loading, easy to navigate web sites with good content will beat the hell out of slow-to-download multi-media rich websites that people can't make any sense of!