



## Episode 84

# Easy ways to talk about Money



**Mirjam: (00:00)**

Hello and welcome to designer discussions with Jason, Mirjam and Maria. Today, our very own Maria Martin is going to give us a sneak peek into the content of her brand new newly published book. And she's going to talk about one of the topics she treats in there, which is easy ways to talk about money.

**Intro: [00:10]**

Welcome to the designer discussions podcast with Jason, Maria, and Mirjam. Tune in each week where we talk about marketing, PR, and business advice for design professionals. Are you wondering where to start marketing your interior design business? We are opening the Designer Discussions Marketing Studio, a monthly series of indepth actionable content to guide your marketing, PR and business development. We want to help you transform your business and elevate it to work with your dream clients. You are going to want to hear this episode. Jason is going to tell you how to get your new website paid for and include all the bells and whistles that you're going to need for 2023. Let's get out there and let's update that interior design website.

**Mirjam: (00:57)**

So, Maria, congratulations on being a published book author. You and Jason, I really feel like I'm being left out a little bit, so I have to get my act together. But it's very exciting. I know amongst ourselves, we've been talking about your book a lot. So we're very excited for you and we can't wait to read it. We haven't yet. But I know you're going to give us a little bit of insights into what you're talking about in the book. So what are easy ways to talking about money?



### Mirjam: (01:57)

Awesome. So the book is going to be called The New Rules for Interior Design. And the reason why I titled it that is because I talk about how you can influence your client's behavior and thoughts in this book. And I think most interior designers don't understand the difference between what they have control over and what they don't have control over and that they don't have a true grasp of their sphere of influence over their client. So the whole book is based on the concept that we actually do have more understanding and more control over how we influence our clients than we think we do. And that there are certain areas where we cannot influence our clients, and we need to be aware of those things, and we have to teach our client how to handle themselves in those situations. So it's a high level book. I think that if you're in school or you're just starting out your business and you want to understand a little bit more about what the client relationship is like, it's a great book for that. And I also think it's a great book for people who spend a lot of time in these Facebook groups complaining about having bad clients or thinking that they're doing something wrong and they're beating themselves up thinking, oh, my gosh, I must have done something wrong because this client is acting this way. And the reality is this book tells you what you can do to stop that behavior moving forward with your next client, your next client. So I worked for a builder and we did 25 new homes. They were all over a million dollars in one year. And I really thought all of that was not possible. And I never thought I could design a new home from scratch as quickly as I did with as much success as I did and with as much happiness and joy in the clients that I worked with. I was really surprised by how we took an opportunity to control how the client acted through controlling their environment, that we could create a high level of success and we were much more profitable than if we were just constantly chasing our tails and billing hourly and just hoping that people would make decisions on their own without any outside resources to compress their reason why they needed us. So we were there to really push projects through. One of the things that I learned, and this is something that you can find researched in multiple books, is that we all do simple math.



### Mirjam: (04:27)

Simple math is something that we should all understand. If you're ever going to talk money to anyone ever again in the future, that we all need to understand that humans do simple math. Simple math is the concept that if something costs \$100 and it's 20 % off, math that you're subtracting \$20 from \$100. The second you do a markup business model where you're saying, I have a \$50 item and I'm going to mark it up 30 % or 40 percent or 35 %, that math problem becomes more complicated. Just the way that you talk about how much something costs and the number of math steps it takes to get you there, your client will actually miscalculate a problem with you on the regular if you're not using simple subtraction or addition problems with them. I think a lot of designers assume that if you work in a cost plus model for a client, that they may feel more comfortable with you because it's whatever your costs are and they feel like they understand you have a cost that is based on working with you and that you're just marking it up a little bit. But the problem is your client doesn't know what your cost is. And so all they get is the final number and they have to do a two step math problem to get to what you actually paid, what your actual cost is. So you're setting yourself up for all these questions and requests because they don't understand what they're paying and what your cost was on something because humans do simple math. So in reading and doing research and learning more about how the human nature works versus the way we've been forcing them to work is that if you were to talk to a client and tell them that you have markup, they will assume its margin and they will just subtract a portion of the total end price and assume that that's your profit. And the reality is a 30 % markup is not a lot of money because you're just adding on to your cost number. But a 30 % margin is a bigger number and your client is assuming you're making a bigger number because they heard a 30 % markup. They assume margin is what you're talking about. And I have found that this is true in my historical experience of working with homeowners. If they're people who are being pushed through a system, or if they are people who have these very long, drawn out hourly contracts with me, they assume margin every time, even when you're talking markup.



### Mirjam: (07:27)

One of the interesting things about markup is you have to say I'm doing cost plus whatever that number is, you're doing a math problem where you might be using a bigger number. So say you say my cost is 200 %, you're going to get 200 % markup on whatever I pay for it, they would assume that that number is going to be huge. It's going to be enormous. Because they're not thinking in their head percentage and moving decimal points over. They're not doing that. So what you want to say is I do a 50 % margin on everything that I order for you. 50 % is a smaller number than 200 % mark up. And so what you have to do is you have to set yourself up for this level of success by understanding how numbers work and how people evaluate and determine final numbers and comfort based on what number you use. And you should always focus on using something that is a smaller number so that the client, when they see what you're charging or what your markup is or what your margin is, that they can understand it and they can mathematically process it through addition or subtraction, not multiplication and not moving decimals. Simple math is super duper important. How can we work with simple math for clients? Number one, the way that you place numbers in a conversation actually has a greater impact than on what the numbers are. I talk a little bit about this in the book. It could be something as simple as saying in 2023, the cost of product is 30 % more than it was last year. But if you start working with me before the end of this year, I can do it for 20 % to 25 % of that. Then they would automatically assume they're already getting a discount. And we're just talking about fictitious numbers around a concept. So it has to do with do you place the big number first and do you follow up with smaller numbers? And the way you do that is you pick the big number first, your second number is your value proposition, and then the third number you give is the actual price that you want to offer to your client. Then they can't resist that offer because you have just confirmed the value and then you have given them a discount or a better deal. In saying that, the number and the order that you say numbers is super duper important. We've learned that markup and margin, two completely different things. One is going to get you less money than the other and your clients assume you're already using the bigger profitable number anyway. Then the third thing is you should always Goldilocks present everything that has importance to your client. What does that mean? Well, you Goldilocks as much as you can. If you've got a sofa and you're working with a client and they are trying to figure out between two versions of a sofa, or they're wanting to get a home decor budget put together, and they want to have two levels or three levels, your level should always be in a specific order. One of the concepts in college was, I need you to pick out the three best things and present it to me. Well, this is business. Business is different than college. You pick three things based on three reasons. One, there's a miss out. Two is it's on budget and it's exactly what they asked for. And the third thing is their dream item. And you do this over and over and over and over again.





### Mirjam: (10:27)

Why is this important? Well, we don't understand value without context, and you have to compare to create context. So what happens is if you can work with your clients in a way where you provide them with the three levels, then if they decide to save money and they go with the I have to miss out because the number comes down, so does the service and so does the level of the product you're providing them. And they're making that agreement early on in the game and you are not fighting to reduce the budget later on down the road. And it also provides you with the opportunity to talk about value from a standpoint of quality. You can be like, this is the dream item. It's got these beautiful cushions. It's going to last you 10 years. It's got an all wood frame. It's wood gelled and glued and eight way hand tied. And it's an heirloom piece. Actually, this will last your family forever. This one, which is in your budget is going to be the 10 year piece and it's similar construction. But you might have sinuous spring and smoother cushions might be a little bit different. But it's definitely not like something you would get in a retail store that's not going to hold up with these textiles on it that pill and aren't going to have the same resistance. So you've already presented them the I'm going to miss out, it's on budget and it's what they should expect and what they should be aiming for their aspirational item in each one of their presentations. And then that way, what happens is your client starts to feel more comfortable with what you're presenting from a standpoint of how much it's going to cost them. And when they start to feel more comfortable with what things are going to cost them, they cannot shop you because you've already given them what they need. Your client already needs to know the context of what they're buying and why they're buying it. And it's your responsibility. This is within your sphere of influence to give them some opportunities to understand value and context, to give them the opportunity to buy that dream item, to give them the opportunity if they want to reduce the budget by reducing the work, and for them to understand that the price and the values and the numbers that you're giving them are accurate and that they can process the math in their head in some capacity and that they feel more comfortable with you because you're talking to them in the way that they can understand easily. It's just like when we write contracts, they say make sure it's written for your grandma to understand it, because the more clear and the more simple the language, the better the relationship will be moving forward and working with that person. So if you've ever seen someone who is out there pitching their business and coaching and all that stuff, you'll see that those people tend to do... This whole room design has this value of \$80,000. But let me show you what I did. It looks like that same room. It has that value, but this is your price. So start to see that it is a mathematical formula of simple math. It's adding and subtracting. It's happening every day in people's heads that make them say yes to you, say yes over and over again in their heads. And that if you don't have those things in place, you will not find the same level of success as others do. Check out the book. It's available on Amazon. It's called The New Rules for your Design, and it is how to use the power of influence to scale your design business. And it's just a ton of these great simple tips and tricks that you don't understand that are out there that are like magic.

**Mirjam: (14:27)**

It's like the obi 1 Kenobi of how design works and money. So grab it, read it. It's going to be a great gift for you guys.

**Mirjam: (14:54)**

Awesome. Thank you so much, Maria. I know that there's a lot of great information and all the other chapter that all the chapters that we didn't even touch on today. So yes, go on Amazon, everybody, and buy New Rules of Interior Design. Well, thank you all so much for listening. Go buy the book and we'll see you back here in two weeks on designer discussions.

**Outro: (15:17)**

Are you ready to get serious about marketing your interior design business? Our designer discussions marketing studio offers a series of in depth, actionable and done for you content to guide your marketing, PR and business development. We want to help you transform your business and elevate it to work with your dream clients. Go to [designerdiscussions.com](http://designerdiscussions.com) marketing studio to get started. We hope you've enjoyed this episode of designer discussions and all of the helpful information. Subscribe to our podcast. Leave us a review and share it with your friends. We look forward to having you back next week. For more information on the podcast and the marketing studio, visit [designardiscussions.com](http://designardiscussions.com) and follow us on social media.



# DESIGNER DISCUSSIONS

DIGITAL MARKETING,  
PR & BUSINESS  
DEVELOPMENT

