



**Episode 20**  
**Minimum Expenditure and**  
**Pricing Strategies**



**Maria: [00:00]**

Hi. Welcome to Designer Discussions. And we are so excited to have as our guest today, Cheryl Clenendon. She is the designer of the year for Kitchen Bath and Business magazine, and she's really just light to the industry. I personally love that her patronage is that she wants to get designers to a million dollars in sales in their businesses and that she is doing it. So we are thrilled to have her here today, and we are going to talk about the minimum expenditure concept and how this can change your business.

**Cheryl: [00:35]**

Great. Thank you. I'm happy to be here.

**Intro: [00:38]**

Welcome to the Designer Discussions podcast. Tune in each week where we discuss marketing, branding, PR and business advice for design professionals.

**Maria: [00:53]**

So, Cheryl, can you tell me, what do you see our designers biggest problems in their words? Like, what are they saying that they have a problem

**Loren: [01:12]**

Okay, what they're saying they have a problem with? I would say it's probably fees. Just how to structure the fees, what to charge, how to charge it like, Do I charge it by the square foot? Do I charge it by the hour? Do I charge by the hour? Do I do this? Do that? These are the issues that I'm seeing in my own Facebook group. Small business think big, but also in other groups that I'm a part of that I stay a part of to kind of stay relevant and keep up on what's going on.

**Cheryl: [01:28]**

Sometimes I think that the problems are they think the problems are not finding the right client because they're going to Facebook moms groups, and they understand why that mom is shopping them because that's what happens nine times out of ten. Nothing against moms. I'm a mom, nothing against Facebook groups of moms. However, historically, they are not the best place to find the best leads for most designers who want to scale their business. So I think there's a lot of different problems. The key is that what people think their problem is is not necessarily in reality what their problem is, if that makes sense at all.

**Maria: [02:06]**

Completely and totally. And I see it a lot in our industry because there's a lot of people who are working on their own or they're a one or two person business. They probably haven't had the mentoring opportunity or worked for a successful designer in their history, and they're just picking up business models from here or there and trying to make it work. Or maybe they're even starting off by saying, hey, I did my house. I can do my friend's house. Now I should just start charging by the hour because that's how designers charge. So I'll just pick a number lower than the last person, and I'm going to start my business this way, right. So I'm not really surprised to see when some people's outcomes are not what they're putting into their businesses. So one of the things I'd like to just touch base on is that I grew as a designer in a boom town. We started off in a town that had three or four skyscrapers. We had five nice restaurants and people had \$500,000 5000 square foot mansions in the oldest, most expensive part of town.

**Maria: [03:14]**

And so if you are a designer in this town that I live in Austin, Texas, you would have your clients come in and you would operate as a custom furniture store for them. And you would say, hey, I understand we're going to need new carpet. We're going to need new paint. I'm going to hire all your contractors. I'm going to help you design your kitchen, and I'm going to help you furnish this whole house as your designer. And here's my contract. I'm going to expect from you that you are going to buy everything from me, and I am going to be placing all of the orders for you. And you're going to have to spend at least this much to be a client of my business, because my goal is to create a beautiful home that I can get more work off of. Right. So in the amount of time that I started in design, we quickly moved to an hourly model. Right. And it really changed. I think the mindset and the thinking that we see in the design industry as to what our goal is and what it is that we're doing. Are we providing, like, a daily housekeeping service for people where we just touch on things here and there? Or are we still these artists and these craftspeople that are creating a product? So what I would love to hear from you is a little bit about how when you meet with a client, you can assess if the project is a good project for your business or not, and how designers can look at and handle those situations to make them clear, profitable and some tools that you can recommend to help people out.



### Cheryl: [04:49]

Okay. So I think, first of all, I would tell anybody this is a layered approach. Okay. There is no magic bullet. There is no 15 step process or whatever, which is part of the problem is that there's been a lot of noise in the industry. One of the reasons why I took this on in the first place was because I kept disagreeing and shaking my head and telling my team like, I can't believe I just heard someone say this or I just heard someone say that in these Facebook groups. So I said, okay, well, you know what? I'm going to be that voice, then that may piss off a few people because I do piss off a few people, but also challenge the people that are challengeable that want to look at something different. So for us, it all starts with really our website. Okay. So our website is the first place that people are going to hear the message that we repeat five times how we work. So it starts at the website, and then it's going to be in an FAQ. I think FAQs are great on websites. I don't know that clients always read them, but it's there. Should they be smart enough to look at it, and then on top of that, after that is going to be the discovery call. The discovery call for us is essential screening tool to find out if this is a project that we want to take on. Now, bearing in mind that we get a lot of calls every week, we get a ton of leads. We're blessed with that. And I'm grateful for that. But it does mean that we have to weed them out. So you have to have somebody doing that. And I hate it. Truthfully, I hate doing it myself. So, Liz, my right hand and my VP of everything does them because I want to help everybody. And so the next thing you know, I'm saying, well, they were just so nice, and she just sounded like she was an older lady. I have a thing for older people. So if an older person calls me and says they need help, then I'm like, I'll be out there tomorrow kind of thing.



### Cheryl: [06:49]

So it's just my personality type. So I know that I'm like that's why I stay away from taking those calls, right. But it's very important. So Liz has a very distinct discovery process. And I was looking there's seven essential pieces of information that we want to get out from an initial phone call. And these are important. And then there's five essential things that we want to convey to them during the course of that call. Okay. And I can go into that or not, depending on what your agenda is here, for what you want me to talk about. But after that, then the next thing is, once we go through this discovery call is then to go into setting initial consult, which is paid, and it's not designed at all. Okay. No design. And we make it very clear, abundantly clear that that's not what we're doing, okay, because we don't want a misunderstanding, and we charge between 550 and 650 to go out and talk to people. That's a fair amount of money to do that. And of course, we didn't start out that way. I started out with, like, \$35 or something 22 years ago, but it's crept up as we've gotten more skills etcetera. And all that. So we do charge a lot. Now I will say that when I go out there, there's no preparation. It's my favorite thing to do really, honestly, in terms of design business other than doing plans. That is probably my first favorite thing to do. But I love it because I don't have to prepare for it. Okay? I don't know. I don't even know to wear in the driveway. Who the heck we're even going to see? I look at the information, but by the time we get out there two, three, four weeks later, a month later, I've forgotten all of it. So Liz gives me a quick rundown. We're here to talk about kitchen, a bathroom, new construction, blah, blah, whatever. Big remodel, just furniture, whatever it is. And then we go in there and I do the Cheryl Show. So that is such a nature so natural for me that it's easy to do. So I love doing those. And if I have an idea about something, if I say, Have you ever thought about taking that wall down? I'm not going to keep that from them. I tell them I say it.



### Cheryl: [08:49]

I want to throw lots of balls up in the air so that I can judge their receptivity. It's important. Okay, because I need to know that I've got someone that is willing to, as I like to say, leave your predetermined ideas about design and your CTV ideas at the door. I will say it. And we say this literally to clients. We want you to have a willing suspension of disbelief. Okay. This is one of my huge things. I can go get my big, huge s that says drama on it from high school. I'm one of the few people in the whole wide world that probably went to a high school that you could let her in drama. But I did. So I get it from that, because this is a theater term. Okay. It's a theater term. When you go into the theater, they want you to have a willing suspension of disbelief. And people can Google that phrase and learn more about it. It's a wonderful way to set a very quick way to tell people I need you to trust me and let me bring you on this journey. Okay, but it's done in a way that is not saying a lot of blah, blah. It's just that word. Anyway, I'm going to totally lose track of where I am. So redirect me if you need me to. But the second part or the third part of that repeating process that we send a follow up letter, follow up email every single time after the discovery call. We do not push to close. And believe me, I'm a salesperson from the word go. I've been trained by salespeople sales companies that are epic when I was with Gannett. Gannett spared no expense when I was in radio and TV to train their salespeople, and I am forever grateful for them for that, because I think that informs a lot of my success. But we don't push to close. And the reason for that is because it's a big ticket item. I want people to think about it. Plus, I want the opportunity to follow up with an email. So in that email, Maria, we follow up and we remind them in bullet points. Okay, because we're all busy.



### Cheryl: [10:49]

Bullet points are our friend and not big, fat, long paragraphs. What we said on the call. This is how we work. We have a flat fee minimum signature, all of that. So we go into that. That's the third time they're hearing it, and we also will leave them with a gift, that gift. And there is a link to a blog post I've written. It is our client introduction, which is not a welcome packet. It is a more puffy advertising PR type of piece, the client introduction. So we send them that. It depends. Sometimes we send that early on. It just depends on the flow of the lead, but we always give them a link to get onto our website because again, our website is our number one tool to success. Okay, without a doubt, for anybody, this is the number one tool in my opinion, in our industry. That is I should say so that's what we do. We want to do that follow up email. Okay. Then the next time they're going to hear about how we work is at the actual initial consult, and then the next time is going to be in our visual proposal, which is another thing that is very different than what a lot of people do. Okay. And I think back to the early ones I did, and I'm kind of embarrassed that those are floating out in the universe for these clients sometimes because we've really honed in on them. But this is a visual proposal that is not about. I want to make it very clear to your listeners because a lot of people do get this confused. It is not what we're going to do, meaning. Well, we're going to take the wall down and then we're going to do this and we're going to add red sofas, and then we're going to put blue balloons everywhere and we're going to paint the ceiling polka dot.



### Cheryl: [12:17]

No, it's not like that. It's not design. It is a scope of work and fee proposal. And even though that's a mouthful, I make everybody in my shop say it that way because words matter, and I want them to always say that out in the universe, too. It's a scope of work and fee proposal. Okay. So in that, though, we are going to give them a very clear list of deliverables. Here's what we're going to do for you. Quid pro quo. We're going to do this for you, and you're going to pay us this boom. Okay. Plus, we have a minimum expenditure that we've talked about now, right? Four times before this. We have that. And that is going to be X. Okay. Then further to one more time. Really. I guess it's like maybe six times if you want to count that way, we put in there about the minimum expenditure. So it's like how we work flat fee, minimum expenditure and hourly for project management. Okay. So we put each one on a page and we tell people in the email when we're sending this to them, we tell them, hey, we're going to send you this really great proposal. It's going to be long. So we want you to know that. But it's very easy to flip through. And quite frankly, it's quicker to read than it is an Loa. I get designers sending me Loa all the time when I first started coaching them, and I'm like, okay, you've lost me after about paragraph two. Okay. Because most people that are in the industry tend to be a little wordy in general. I am included with that. But people these days are busy. They need you to cut to the chase. And if you're talking to your ideal client, my ideal clients are a lot like me, Maria. Honestly, I mean, they're a lot like me busy professionals. They want to vet you. They want to know your best person for the job. Then they want to hire you. Then they don't want to have to know what they don't need to know. Okay. They're going to trust you to make sure that they're in on the plan and doing everything, but not too far in advance. So my point is with that is that the visual proposal is people say, Well, I'm not going to send all that to the client, or that takes too long.



### Cheryl: [12:17]

No, you do a template and then you change it. It takes me 15 minutes. Okay. We have templates for new construction. We have templates for décor only. So I've developed these. I go to that. And what's important is on every page I am selling again. Remember, I am a salesperson first, and I'm a salesperson before I'm a designer before I'm a coach. Okay, I'm a salesperson first and foremost. And you are going in there, and you are reminding on every page why they called you in the first place. Look at that beautiful kitchen. Look at that beautiful bathroom. Look at that beautiful living room. So I tailor the photos to be with that person. What kind of information they gave us at the initial consultation on the discovery call. Meaning I'm not going to put in there Super New York loft modern. If somebody is typical Southern client that we may have that wants paneling and all that sort of thing. Okay. So I'm not going to turn them off because I'm smart that way to not give them something that they're not looking to do. So we customize that we put in the specific fees and everything for that particular job, the minimum signature, and then we send it off. Okay. We have huge success with this now. Sometimes we may not get a job, and that's okay. And people need to know that it's okay. It was hard for me to accept that because I'm a salesperson. I want to win them. All right. I want to win them all. That's not doable. That's not sustainable. That's not smart. So I had to train myself to not want to win them all. And I think that that's something that people don't always realize that they don't need them all. They don't want to win them all. You only want to win the people that are right for you, right. And then accept how you work. So that's basically, in a nutshell, the process of how we remind everybody about that. I'm not even sure if that pertains to your original question, because now I've forgotten. But that is the repetition part that you and I talked about earlier that I think is really important for people to understand that this is not a Slam dunk.

**Cheryl: [16:17]**

Here's a magic wand. You do this and you're going to win all the money and go past go and all that crap. No, it is a layered approach. You have to work on your mindset, all of these things. Otherwise, it's not going to be successful for you.

**Maria:(16:23)**

How do your clients feel when you're so clear about what it is that you're going to be performing for them and that they understand that there's this budget that allows them to get what you can consistently provide. How do they feel whenever?

**Cheryl:(16:39)**

Let me correct one thing. It's not a budget. Okay. It's not a budget. That's part of the details of this of how you go into getting the minimum signature. But it's not a budget. Now, between me and you, Maria, as designers and people, okay. Yeah, it's loosely a budget, right. But it's based on our historical, and I track historic like you wouldn't believe. Okay, if historically a dining room is going to cost to the client \$28,000, that's historical. That becomes sort of the minimum expenditure for that. But I have to assess it because I have to say, oh, well, this dining room has 24 foot tall windows. Well, that might be a little bit more, right. But it's all about why we're doing the minimum expenditure. It's not a budget. It's not going in there for a budget. So that's a very key important. I'm glad you said that, because we might not have hit on that if not, because I think people sometimes do. And they use the word budget in the guide that I sell to people. It goes in there very big. It's not a budget. And then in the proposal to the client, it says in there, make no mistake. This is not a budget, because once you say it's a budget, then clients are going to expect you to perform for that. And I'm not going to do that because at that point, I don't know what the hell they're going to want. They may live in. Okay. And we have clients like this in Pensacola because we're in the south, and it's like a mishnashy of people.



### Cheryl:(18:01)

And it's people that are down to Earth a lot of times, and they may be living in a \$300,000 house, but they want a \$250,000 kitchen, and by God, they got the money to pay for it. I'm going to give them that \$250,000 kitchen. Okay. Now I may point out to them at some point because I'm an investor in real estate as well. I may say something like, okay, you do realize that this might be a little overkill for this neighborhood or whatever, and I want them to say, Look, Cheryl, they're taking me out of your feet first. I want the kitchen. I want by golly. And that's one of the things we ask people. Maybe not quite so crudely, although some people I do actually say that. So maybe I am crude that way. But I will say to them, one of the first questions is, how long are you going to be in this home? Because it's important, right? It's important to know that. So we are going to ask those questions about people, but it's not a budget. And the optics here are really to make sure that you don't say that the minimum expenditure was derived for one reason. I always want a why. So let me tell you the why. Why do I do this? I do this because I have a team of nine. I like to sleep at night. I don't sleep at night. So I don't know why I didn't say that. But when I do fall asleep, I want to stay asleep. And I don't want to wake up in the middle of the night worried about making payroll. I don't want to wake up in the middle of the night thinking, oh, my God. Can we buy the van? I don't know. I just bought the van. But should we have not bought the van? Maybe we don't have the money for the van. Can we buy new computers? Lane, our IT guy is constantly telling me every other day that we need new computers to run chief Architecture. We need new computers for the server or whatever. Blah, blah. Okay. I swear to God, I say to him, we just bought new computers last year. Cheryl, it was 2014 when you bought these damn computers.



### Cheryl:(19:38)

Okay. It's right here in black and white. I'm like, wow, anyway, so I want to be able to know I can pay for those things. Knowing how to pay for that is an important part of business. You have to project income. Okay? Otherwise, unless you have a sugar Daddy or sugar Mama or you have a second spouse that is providing, which is part of the problem. Mind you, because I think a lot of people do not do the work that they need to do to actually have a business because they get into this through the back door. Their kids are now grown. They had an interior design degree. Now they're ready to go back to work. Okay, well, my husband or wife or whatever is going to float me until I can get going. Okay, that's the wrong mindset. That's the wrong mindset. Because when you do that, then you are going to make decisions based on the fact that you already have an income and you're not going to feel the need to project income. You need to be a little hungry. You need to know that you need to be able to project income, so that's where the minimum spend comes from is me needing to know I need to project income. And I have no problem saying this to a client either. Maria, I really don't. I will say to a client. Yes, this is how I run my business, because don't you want me to be in business? I've been around 22 years. We get calls now from people that we installed valves in 2010, and I'm thinking it's eleven years ago. Lady, no, it's not under warranty still or whatever, but we take care of them. Do you want me to be in business to take care of you? Okay. Well, then this is part of the reason that we do this. But I also say this is money you're going to be spending anyway. I want you to spend it with me. This is part of our business model. So when you explain this and I go into all of this very in-depth, because I need people to understand that this is not something you just say and then you don't have the backup. It's like this. Maybe I'm not allowed to say this, but you can edit me out.



### Cheryl:(21:26)

The splitting discounts or sharing discounts BS. They got started years ago. It is my mission in life to eradicate that from the designer world. It really is like I have a thing on my bulletin board at work that says Eradicate shared discount concept, because I think that it was something that people looked at is like, oh, this will work. I can do this. And that will make it look good. Completely wrong. Totally wrong from a PR point of view. Totally wrong from an optics view. Totally wrong from a business view. But people believe those who espoused this theory and it's wrong, and you have to fix that. But the bottom line is that the minimum expenditure is to project income. So it's a minimum for a reason. Now, do clients spend more? Absolutely. Nine out of ten spend way more. Okay. But because once you've got them and you start building that trust, that's hard for them to see up front, they can see it. But if they haven't worked with you before, then they don't know that they're going to love you in two months. Okay. But they're going to love us, and they're going to trust us because that's what our business model and that's part of our brand promise. So when they do that, then they're going to feel more like you're not getting into their pocket when they are spending more. Yes, we're still making more money. But I have my locked in price tag if you will. So every client has a price tag over their head. You know what I mean to my firm, because I have to have that. Or I cannot know that I can do all these things that I want to do. So very important to not say the word budget, because it's not necessarily budget, even though between us girls and boy, it is based on historical numbers. It is not that way. And even in my calculator that I have developed, it's actually very good. If I might say so myself, it goes through, and it allows you to put these numbers in your numbers for your historic like, say, you're doing a living room, a dining room, master bedroom, you put those in there, those numbers, and then you come to something.

**Cheryl:(21:26)**

I have an allowance in there to do 90% of that total 80%, 100%. Meaning the minimum spend if you think your client, if you judge that client going, you know what? I know that they have the money to spend, but they haven't bought furniture in, like, 25 years. So they're going to freak out when I tell them \$150,000. So I'm going to go in at \$100,000 minimum spend, plus my design fee, because the profit from that \$100,000, which whatever your profit margin is, plus that fee is the price tag. That's the minimum price tag. Okay. And the minimum profit. That's good enough for me. And I know they're going to spend more, but I'm not counting on that. That's all LAN out. Right. But the thing is that that gives your client comfort, thinking that it's a little bit less. But that's why it's important not to say budget, right. So you don't want to say that. So all that goes into it's not only in my thing that I do to designers to help teach them this, but it's also in the client visual proposal. It says in there, this is not a budget. We repeat that three times in there. So anyway, I forget now what your original question was about the message, no worries.

**Maria: (24:32)**

You're right on track. So first off, I want to say that designers want to have luxury clients, they want to have luxury products and projects. But one of the things that I feel like is a luxury is feeling comfortable with the people I work with, knowing that I'm going to be taken care of and having something like a visual proposal we've had a branding expert on before in another episode where she talked about the visual proposal makes all the difference in the world when you're working with luxury brand clients because you're not just telling them what you're going to do, you're showing them.

**Maria: (25:11)**

And in showing someone what you're going to do, you build the trust and you create the results for them that you can build upon and do more with. And so what you're doing with your minimum expenditure is also establishing security and stability for your staff and your employees. And I think a lot of designers can't keep people in their office, and it's probably a lot to do with how they see that the funds are being run through the business or how spread thin they are and that their profits aren't there. And so all of this is all beneficial. And then there's one other thing that you talk about that I really love, and I want to emphasize it is that you do have, like, look, we have products that you're going to be buying, and I'm going to manage that for you. I have a design fee because my time is valuable, and this is what it's going to cost for me to do something.

**Cheryl: (26:05)**

No, my time is not valuable. My experience is valuable. Do you see what I mean, Maria? Even just talking here. It's a mindset. We all do this. We all do this, every one of us. Everybody does this, okay. But it's important to have a hard stop and for me to even correct you. Now, I'm not trying to be rude. I'm just saying it because it is just your lexicon. It's just the way you're saying it. I know you well enough to know that you don't actually think about it that way. But yet it's important for us not to say it either. That's why I say don't say the word package. Don't say the word blocks. I mean, I'm selling blocks of time. Really? That's what you're selling. You just said it. I am selling blocks of time. Are you freaking kidding me? This makes me insane when people say this, and I'm sorry to whoever I'm offending listening to this, but you don't sell blocks of time. If you do, then you're not a designer. Let's just say it the way it is.

**Cheryl: (27:20)**

You're a block seller. You're a block seller. So you don't sell blocks of time. So anyway, the reason I say that about what you just said is because these optics and these kinds of mindset things are just the same. What we call everything Kleenex instead of tissue or whatever. It's important to eradicate that from your language and start over. If you really want to embrace the mindset, I just happen to know you. And so I know how you think. But I think that it's very easy for those words to sneak in, right?

**Maria:(27:32)**

For sure. And one of the things that I've learned being in this industry for so long is that I've got 25 years of experience. I've created software to make my job way faster and easier. I have had builders call me up and ask if they could lower my hourly rate. And I said, I don't deserve to be taxed for being better at my job.

**Cheryl: (27:52)**

That's right.

**Maria: (27:53)**

And unfortunately, that is how I feel as a designer. And so my favorite clients are the ones where I can say, look, this is my fee to handle this. Manage this for you. But one of the words that you use that I like and I use a different word for it is that people can't assume a flat fee covers duration. And that's my thing. I feel like designers don't understand is that being on your books as a client, as you being available to a client for 18 months or 24 months, people don't look at their design projects. People will say, how much do you charge for this many square foot of a house being built in this area? What do you think my fee should be? And my response to it is how long is it going to take you and how much money do you need each month to be in business? And I feel like people don't listen and see that as frequently. I feel like a lot of people just assume you do flat fee. You make product pricing of some sort that you manage, and then you have however long it's going to take just whittles into your design fee, but that would take away. And so you structure yours with three parts. That's correct. Right?



### Cheryl: (29:14)

Yes, hourly for project management. And we define that very clearly in our visual proposal. One thing, too. I want to make sure that it's clear about what you just said. And then we can go back to that. Is that when you were talking about having a branding person on and that sort of thing, I want to make sure that people realize that that is the scope of work and fee proposal. It is very important, but it's a selling tool. It is not the presentation or the storyboards or whatever we're doing later on to actually convey that. That's a question that comes up a lot with people. They message me and go, how do you know what you're going to do for the client right then and all that? Well, I know what I'm going to do in terms of deliverables, but I'm not telling them the specifics of it because I don't know yet. I don't know if I'm going to move the living room over here or change this. Maybe I'm moving the kitchen over to that part of the house. I won't know that till I get into the schematic design part of it. People do misunderstand that. So I want to make sure that it's clear that it's just the scope of work we're outlining and the deliverables to that not specifics about their design.

### Maria: (30:18)

So one of the things that I also like about the idea of just even discussing that there's a minimum expenditure on a design project is that I think a lot of people don't know how much things cost do you find? People don't know how much things cost?



### Cheryl: (30:32)

Yes, I do. And on that point, while I'm probably pissing off people right and left, I might as well just go ahead and go full throttle with this is that I don't really like this whole concept of high, medium, low kind of thing that people get out and they give their clients something. And there are coaches that teach this, too, that have been around a long time. Coaches have been around a long time. If they're not still doing design work, they're no longer relevant. That's generally the case. Okay. That's why I may love what I'm doing with this, but I still am the creative director of my firm and always will be because I need to stay in the game of it. But a lot of times people say, Well, you just whip this out and you start saying, okay, a chair. How much do you think that should cost or whatever? There are coaches that teach this. I disagree with that. They may be great in other areas, but that is too hard school car salesman type approach to that. The good better best speaking to your question, that good, better best thing that has been popular. Yes, with very stringent rules. You can help a client understand costs by using that. But I would not do it before. They are an actual client. And the way we do it is visually again, visually. And I have some great words. I can't remember what I said now, and I probably shouldn't say it here anyway, because I want to be taking these, but I have three different levels and I show them pictures. Here is a project that we've done that was X amount for this living room. Here's a project that was more and there's what now? What's the difference, Cheryl? And those three things. Well, because they all look beautiful. I want that one, Cheryl. That lowest cost one. That's the one I want, which is kind of a problem when your pictures look good, because then you're going, oh, I really like that one. But then I go into explaining, okay. And this is again, another graphic that I do for clients is I go and explain what elevated room A to room B, room B to room C.



### Cheryl: (32:25)

SpeakWhat is it? A custom cabinetry, more expensive wall coverings, maybe custom bedding versus off the rack bedding. These are the things that add costs, so that's when we're explaining to people and we do this with them so that we are showing them. Obviously, I'm a smart business person. I'm not going to take a shitty photograph, at least not intentionally. So all three of them should look good to you. But what I'm trying to do is illustrate and help the client understand what the difference is between a B and C, which is this price versus a slight step up versus a bigger step up. And it's usually customization and all the things that you're going to do more expensive products, things of that nature. So that's how we explain it to them. And also it's qualifying. So just like I teach the people in my retail store, if someone comes in and says, I need a new sofa, okay, great. Then you show them a few sofas. We have and you might say this one is blah, blah, blah. And the benefit to this is XXX. And then at the end of that benefit conversation. You say it's going to start at around \$2,200. Now I tell my people if they fall on the floor and start passing out and we need to call the ambulance, then that's probably not a good lead for us. Or that's probably not going to be somebody that's going to shop in our store. Unless you can really tell them that they don't need to die over 22 hours sofa, because that's really where they're going to start. Okay. But what I do is have them say that. So they're qualifying with that conversation and then they're going to show them another one say, this is highly customizable, and this can do this and you can have all these different.



### Cheryl: (33:56)

You said your back is bad, blah, blah, blah. So the benefit here is we can customize those cushions. Now this is going to start at \$4,000 or whatever. So then they get that idea. And I think it's the repetition thing. Maria. Really, it goes back to that what we talked about earlier. You have to have this conversation starting on your website in ways you talk about it in blog posts. I would love to have great SEO. I would love to have millions of people look at my website. I don't have a million people look at my website because I don't have time to optimize it that way. So it's great if they do. Okay. And we have decent traffic. But the real value of writing our blog for me is speaking to those clients, speaking to those people. So if we work a lot out of town, I'm going to write a post about working out of town. We do a lot of plan review because doing plans from the ground up is my Nirvana. And so we talk about that. We speak to that so that if somebody calls about that, then we have a blog post to direct them to in that follow up email. I was talking to you about it later. It's really very systematic, but not in a regimented way. I don't know how to say that, but the project management is hourly. And you're talking about these long projects, and that saves our butt. Now I will say when we first started doing flat fees, we did not. We included project management in there. Well, I learned real quick. I'm a very fast learner, and I was like, oh, no, this is bad news. This is not going to work. And the other thing I do just to give people a little bit of a tip on this is that I have a published book rate for my design, even though we do flat fees, because occasionally we do hourly for whatever reasons, there may be a reason that comes up plan review, things like that, things that are harder to quantify in a flat fee. But it's not very often.



### Cheryl: (35:38)

I would say 10%, maybe 5% of our work. So I have a published book rate and that's in the flat fee and scope of work, because people need to know if there's add ons because we don't do scope creep. I love scope creep. Mind you, because that means more money. Of course I love that because there's more money. But we addressed that in the proposal, so that rates there. So my hourly project management is lower than that. Now we all know. Okay, Jason, you especially probably know the project management is integral to the success of a project, especially in the kitchen and bathroom. I mean, the design is great. Okay. Design is great. I'm a designer. Design is great. But let's just face the facts here. Knowing how to execute, knowing how to do transitions in a bathroom, knowing how to do all those things are really important. Yes, they can be on the plans, but often you have to project management. So I know that that's very up there. So I'm not saying that this is totally a marketing thing, that I lower the rate, just \$25 because I want to elevate design. I want to elevate the design and have that rate be bigger. Okay. And then also, as you probably know, because I've talked about this a lot in our group that I study consumer behavior. It's sort of a hobby, I guess for 30 years, and people are more likely to not are less likely to complain about a project management hourly bill when the rate is lower than design. And you know what? I can't even tell you really all the mental gyrations that people go through, why this works. But I can tell you I coach enough designers to tell you that it does work.

**Maria: (37:21)**

It does when you do it just a little bit lower the initial phase of the design process, like concept and development. That is, when your creative juices are the most valuable, you make the biggest impact at the beginning of the project. And so when you get into project management, that makes so much sense, because then people feel like they've accomplished something. They've contracted with you to do the design fee. They've contracted with you for your minimum expenditure, and then they have access to something that other people don't have access to.

**Cheryl: (37:55)**

We are advocate, so to speak. And I will say we also on top of that, have non negotiable milestones. Okay. So non negotiable milestones, meaning for the type of job. If it's a decor job, there's not any. Because decor is decor. We might have a project management with the electrician coming in, changing out lights. Maybe we have a wallpaper installer, window installer, but we're not doing, like kitchens and bathrooms, and we do a lot of remodels and a lot of kitchens and bathrooms. So there are nonnegotiable. And we say it in the scope of work and fee proposal milestones and what I've done is turned this into a positive where people go, oh, my God. Thank God you're going to be there when the guys template the stone. Oh, my God. Thank God. You're going to come and do a walk through before they do sheetrock, because we all know life before sheetrock is good. Life after sheetrock, not so good. Meaning very expensive to change anything. So when I position this, it's yes. You're going to pay me for this. You're going to pay me for these milestones. We do it on purpose. We don't include it in the flat fee. The reason for that is one keeps the flat fee from being looking really big and people seeing that big eyed number and freaking out.



### Cheryl: (39:06)

And then also, I am turning around this kind of what some people might call a negative, meaning you are going to pay me for this time. Some people may say that's negative. I turn it into a positive because I'm telling the clients, hey, I got you because I'm going to be there because this is the kind of work we do. Now, if you don't do this kind of work, then this is different. But this is the kind of work we do. So absolutely, we're going to be there and do a walkthrough before the sheetrock. After the sheetrock, we're going to go in there and make sure that the kitchen, that the plug for the subzero refrigerator is up in the right hand corner and not down in the middle or down low, because no matter what specs we give or what plans we give or how many times we highlight that electricians half the time, do not put it in the right spot. So there's things like that that we're going to catch before it becomes a burden for the client or the contractor. Okay, so that's where the milestones come from. And I think there's ten or twelve of them I can't remember off the top of my head and we list them out in the proposal. If it's that kind of work again, if it's a kitchen, bathroom, living room and a dining room and a master bedroom, we're redoing, then I'm not going to probably include that in that proposal because it's not German, but most of our work it is Germane, so that's important. So that's speaking to what you're talking about about segmenting it and breaking it up a little bit, but also covering my Tushy so that my team is not running out there every five minutes because the electrician doesn't know how to read the damn plan, which is unfortunately a problem.



### Cheryl: (40:30)

Now, I will say to designers, I've seen some of your plans, ladies and gents, and they ain't so good. Okay, so what I'm going to say is you get your own house in order before you start pulling these things out, because if your plan is got two dimensions on it or doesn't talk about the transitions of the tile in the bathroom or doesn't go into the details of where the pop filler is going to go. Now, the popular doesn't go in the middle of the game backsplash. Okay, it doesn't. That looks ridiculous. It goes off a little bit to the light or a little bit to the right. I mean, it's just all these things. If you're not telling the plumber exactly where the waterway comes out for the shower head, then you aren't doing your job as a designer. In my humble opinion, if you are doing kitchens and bathrooms, do not call yourself a kitchen and bath designer. If you are not doing this, in my opinion, I don't know if someone's really going to nail me to the wall for this, but that's how I feel about it after doing 22 years of kitchens and bathrooms because you need to look at it. And this is another way to sell product for kitchen and bathrooms. People will say, oh, well, I can't make any money on that. No, it's difficult to make money on products and kitchen bathroom, that's for sure. We still have a minimum signature. Okay, but it's not as profitable as doing a living room. Let's just face the facts, but I charge much higher fees for kitchen and bathrooms. Much higher fees double triple, much higher, lots more work. And I've got the experience to back it up. But things like how I get them to sell to let me buy the products is because I'm thinking, okay, do you know how many different shower arms there are and shower heads are and how far they come out?

**Cheryl: (42:03)**

And are you doing an extended arm or are you doing a short arm? Are you letting the plumber tell you where that shower waterway is coming out? Are you going to list look at the website of some major brands that still say it should be, like, 74 inches or something off the floor. No, sorry, my clients six foot five. So if the plumber doesn't pay attention to that, it gets done wrong, then you create all these problems. Now, if you're not doing drawings to indicate that, then you shouldn't be doing kitchens and bathrooms, in my opinion. But if you are doing drawings like that, then you should be having these milestones so that you can go and put your eyeballs. I have a certain list of considerations that we go out and we look at. We put our eyeballs on it. Oh, my, that looks a little short. Let me go see if the plumber read the plan. Take a tape measure out. No, he did not before we install the tile. Let's fix that because then it's easy to fix after the tile is not so easy. So a lot of the problems that I see in these groups and people talk about people are doing kitchens and bathrooms that aren't skilled enough to do it. They should learn what they're doing and then come back and start doing that.

**Maria: (43:10)**

When they don't have the systems to back up what they're doing in a way that they can execute on it correctly. A lot of times I see people once the sheet rocks up and they're like, they didn't put the light where it's supposed to go. Look at my picture, and I'm like, yeah, I can see it's just the timing. I like that you have systems in place for all of this. So what all of them included in some of your guides that you have available on Damn Good Designer?

**Cheryl: (43:40)**

Minimum spend of the flat fee guide is six modules, and it's about mindset. It's about project management. There's a thing in there. I'm doing a deeper, bigger thing about project management, but we do go into it. There. My entire visual proposal. One of my templates is in there. It's not an actual template that I can give you because I don't believe in that. I do template all the time and sell them, but not with this because I want people to actually do the work. I want them to pick up the pin, so to speak, except that they're creating this. But the pictures of like, you could look at it because it's all in there. So my visual proposal is in there and then how to talk to clients. But I go through each step, meaning starting at your website, going to Discovery, then going. So it's all very layered. I tell you, Maria, that you've seen the comments in the group about people I'm not opposed to asking for reviews. Don't get me wrong.

**Maria: (44:34)**

The comments are pretty crazy.

**Cheryl: (44:36)**

Those comments are not like someone just said something over the weekend. I had no idea she even bought it. And when she said that I was like, it was random, and she just said that was a game changer for me. And my income is up 44%. I don't know if you saw that comment or not, but it was in there, and I was like, screenshotting. That because I really get excited about that. I really do. And so I think that the other thing. My point is if you read it, if you get it, you have to read it and actually understand it and go through it.

**Cheryl: (45:07)**

That's very easy to go through because I'm add to the Max. So I've made it so that you can pick up any of the modules and read it and go into it and you can run with it. But everything is there. And if anybody wants to join small business, think big. They can search for those words and you will find people that have talked about it. Plus, the reviews that I put on my website are all legit. I have no reason not to do it, and there are literally hundreds of them that I haven't even.

**Maria: (45:37)**

I think you're just being generous. I think you just really want to change the industry.

**Cheryl: (45:42)**

I do want to change the industry. And you're right. And eventually maybe I will take it. So get it now because eventually I may take it and put into something bigger because that's my goal is to do that. But for now, it is what it is, and it's been a good value. I've not had anybody say different. Some people have said, have the message made. Charles, this is good for me. I'm a stager or whatever. Okay, well, maybe not. I don't do staging, so I don't know enough about that. So maybe it's not. I don't know. I think it's good sales personally, between you and me, I think everything I say is good for sale. So I think there's value there. But I don't know if it would be good for a staging company or not, because I don't do that. But I'll tell you one thing, it is good for designers.

**Maria: (46:27)**

I just want to touch base, like, go back into this number one. Guys being told no is not no, it's just part of relationship building. Like Cheryl said, repetition is your friend. And if you don't have the repetition in place for your business, you are not going to get the outcome that you want for your business. Lean into people like Cheryl who are providing mentoring for new designers and listen to them. I agree 100%.

**Cheryl: (46:42)**

Old designers want to learn new tricks.

**Maria: (46:55)**

Yeah, that's true. I've had a lot of designers ask, what are the newest things they should be doing for their business as well? And also, I agree 100% with Cheryl. If you are looking for someone to help you coach and work through your design business, find a designer who has a thriving design practice. It is the best way because you want someone who's actively experimenting with the systems and working with the people who are currently working with designers as part of your team that are backing you up. So definitely reach out to Cheryl, connect with her. She's the best resource. Her Facebook group is no Drama, which I also love by the way.

**Cheryl: (47:33)**

Sometimes I get on a little rant, but I try to make it entertaining, right? I get on a rant.

**Maria: (47:41)**

(You know what? I would rather see a rant any day of the week, then the victim profile that I see happening over and over again. And I'm just super excited to not be in that dynamic. And we would love to have you back on. And maybe we can dive into some more of these other elements. I like how you're talking about verbiage. I recently read a book. It's called Predictably Irrational. And if you have not read that, Cheryl oh, my God. You have to read that book. It is all about how the consumer has to have something for their product to be sitting next to to understand its value. And it's very much the same concept by how you could do and scroll on Wayfare all day long and not understand any of that furniture is worth anything and see it set in a beautiful room and then feel like you need to buy it. And so that whole book is great.

**Cheryl: (48:42)**

I'm an avid reader, so I will pick that up because I love books like that. And I think for anybody that wants to study consumer behaviors, I developed eight client archetypes about four or five years ago, and I loved them. Oh, those are actually in the minimum spend guide, too. They may not be in there for long, though, because, Maria, you're right. It really is a lot of value for the price. And I do want people to get it. And I do want people to be successful. But I've included a lot of things in there, and that is one of them. But those client archetypes are really spot on for how to deal with certain types. There's two or three of them that we don't want. Those are clients we don't want. Some people might want them or new designers might want them. But I do think that those kind of things and understanding, like they're talking about the actual who you are trying to reach is really important. I know exactly who our ideal client is.

**Cheryl: (49:42)**

Busy professionals just like me for no nonsense. And that want a good job done. But they're not going to equivalent over the cost, because if you establish that value, the value has to be equal to the cost, right? Anytime you buy anything, the value has to be or the perceived value has to be equal to the cost that you're charging for sure.

**Maria: (49:52)**

Well, thank you so much, Cheryl. We really appreciate having you on here today, and we will definitely be touching base with you again, and we will have you back on. But if you get a chance, go over to Cheryl's website. I know I can go straight to Danmgooddesigner.com, but you also your interior design website is.

**Cheryl: (50:12)**

Indetailinteriors.com. And across the top there is a tab that says four designers, and then it drops down because we do have Bob, which has been a really good thing. I do a lot of really good deliverables, and it's \$139 a month, and I've had five people out of almost 100 that have the only people that have paused it or gotten out of it since we started in March. So to me, that's a huge I don't know where to find those kind of stats, but I'm sure that those are really good stats on retaining people, and there has to be a value there. They wouldn't do it. But that's listed on there. The resources are listed on their coaching, every blog that I have that has free all kinds of rants and whatnot on it. So it's all under there, and it's under a tab call for designers.

**Maria: (50:52)**

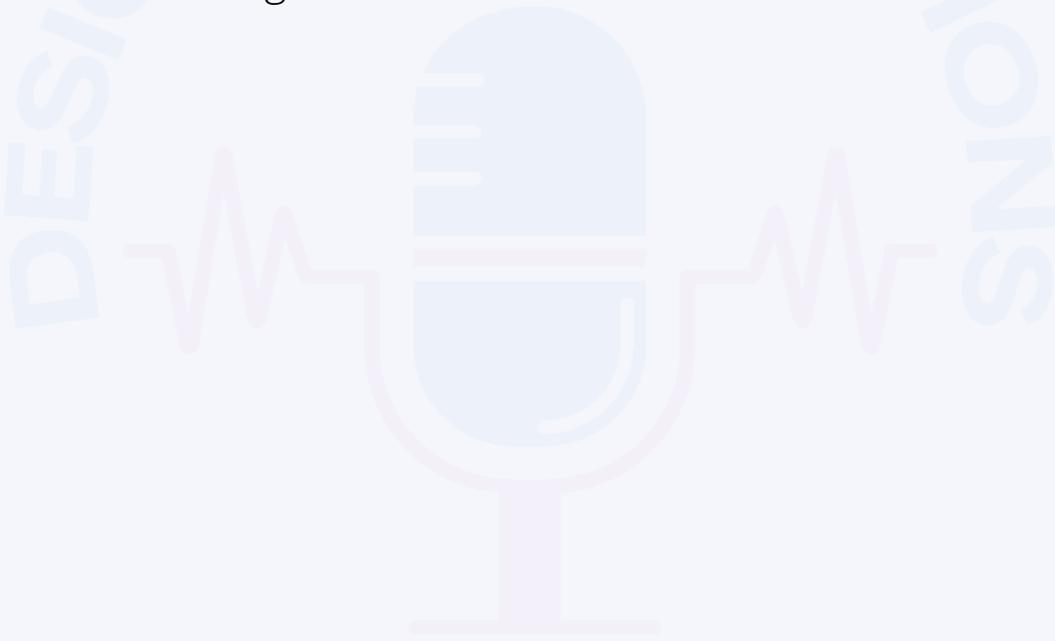
Awesome. Thank you so much.

**Cheryl: (50:54)**

Thank you. Thank you. I appreciate it.

**outro: (50:59)**

We hope you enjoyed this episode of Designer Discussions. What was your takeaway care to share your thoughts and tag Jason, Maria and Mirjam on social media you can find them on all platforms at [DesignerDiscussions.com](https://DesignerDiscussions.com). Don't forget to like subscribe and leave a review or comment for this episode episode from wherever you are listening.





# DESIGNER DISCUSSIONS

DIGITAL MARKETING,  
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