Value For Money

Sample Chapter

You are not the hours you work.

Some clients have a hard time understanding how we price. They say: "I know it takes you 5 minutes to design a logo. How can you charge me $5,000 for 5 minutes?!"

I always answer this with a short story about Picasso:

Legend has it that Picasso was sketching in the park when a bold woman approached him.

"It's you — Picasso, the great artist! Oh, you must sketch my portrait! I insist."

So Picasso agreed to sketch her. After studying her for a moment, he used a single pencil stroke to create her portrait. He handed the woman his work of art.

"It's perfect!" she gushed. "You managed to capture my essence with one stroke, in one moment. Thank you! How much do I owe you?"

"Five thousand dollars," the artist replied.

"B-b-but, what?" the woman sputtered. "How could you want so much money for this picture? It only took you a second to draw it!"

To which Picasso responded, "Madame, it took me my entire life."

We all know that designing a logo is much more complicated than just drawing it in Illustrator. If it only takes me five hours to complete a project, should I only charge for five hours of work?

The answer is no. It doesn't really work that way. The price has nothing to do with time, and everything to do with value.

Let me show you an example:

How much do you think that these two pairs of jeans cost to make? The answer is about the same — $2 in some sweatshop factory in the far east. So if they cost the same to make, the price should be relatively the same as well, right?

Wrong.

The right pair costs $14 (ASOS), while the left costs $170 (DIESEL). Is that surprising? Not so much. After all, aren't most of us used to paying more for brands we love and trust?

Design work is no different. Here are two logos that look quite similar and simple:

One of them, "Orange", is for a global telecommunication company with 170,000 employees around the world. It was designed by the great branding agency, Wolff Olins. The other, "Blue Rubicon," is a private London based consultancy with 140 employees. It was designed by Dave Richmond of R Design, a small branding agency.

Do you imagine they cost the same? I doubt it. If I had to bet on it, I would say that Orange payed at least 10 times more to work with Wolff Olins than Blue Rubicon payed to work with Dave Richmond.

The reality is, people don't pay for things based on how long it takes or expensive it is to create the product — they pay based on the value they get from it. On the contrary — clients usually pay a premium price if you can do the work faster, spending less time on the job.

There are two reasons you should keep track of your time, and they have nothing to do with your clients:

1. So you know that the project you are working takes roughly the amount of time you estimated.

2. So you can get to know yourself and do better estimation next time.

Estimating how long projects take is an important skill for a designer, so you can better plan and price your projects. But your client doesn't have to know the amount of hours you actually put in, and it does not represent the value of the project to the client.