

# Time, Money & Materials



# What is Pre-Press

Pre (meaning before) Press:

- Scanning
- Colour correction
- File Assembly
- Trapping
- Digital Imposition/Step and repeat
- Digital Proofing
- Film Output
- Computer-to-Plate Services
- Conventional Film Assembly

# What is Pre-Press

- Computer-to-Plate Services
- Conventional Film Assembly
- Conventional Proofing
- Conventional Platemaking
- Barcodes



# Why relationships with suppliers help

- Project management/trouble-shooting
- Can bump a job to ensure timetable is met
- Will allow credit; payment from client
- Will give you priority/also based on revenue/status
- Will keep you informed of new technology
- Get more for your \$/ not so quick to bill overtime/willing to work with you
- Can assist you in making an almost impossible timeline work

# Why relationships with suppliers help

- Can fit into a budget
- Can offer suggestions/alternatives to save \$
- Can offer suggestions/creative ways to produce (size/stock)



# Suppliers needed for Production

- Copywriter
- Research/focus groups
- Models
- Fashion/make-up stylist
- Food stylist
- Illustrator
- Photographer
- Pre-press/film houses (digital plates/film)

# Suppliers needed for Production

- Printers (different types - digital/sheet fed/web)
- Digital output houses
- Royalty free photo house
- Image Bank/rights protected images
- Specialty supplier
- Recording Studio
- Editing Suite
- Talent

# Suppliers needed for Production

- Mail house e.g. Watt/KeyContact/Ineract
- Canada Post (US)
- Box manufacturer
- Specialty supplier (plastics/acrylic)
- Display house
- Bindery
- Advertising Specialty Supplier
- Web Programmer
- Video/TV Company

# Costing a Project

Think through the project to determine:

Internal costs

Meetings

Brainstorming/Conceptual development

Layout

Copywriting: heads/tails/body

Electronic artwork

Scanning photos

Photo manipulation

.



# Costing a Project

Final file preparation

Misc. costs: pdf's, proofs, couriers, faxes, telephone calls,

Mileage/gas/food



# Costing a Project

Think through costs to determine:

External Costs

Who do we need to produce the project?

List all suppliers



## Pricing your services

- Before you can respond or prepare an estimate you must first determine a value for your services.
- The challenge - what you deem your services are worth and what the market will bear.
- To know how much to charge, you must first grasp the financially dynamics of our industry.
- We are a fee-billing industry; we sell time in exchange for fees.

## Pricing your services

- Yearly revenue potential
- First you have to understand how much fee revenue (sales) you require on an annual basis to be profitable.
- The average designer works approx. 1,700 hours per year (taking into consideration holiday and sick leave).
- The fee generated will determine the individual's salary and the profitability of the studio.
- A rule of thumb - each designer should generate \$120,000 to \$150,000 in fee revenue per year.

## Hourly rate structure

- Having determined the revenue you should generate annually, determine an hourly rate.
- Industry standards allocate a third of the cost to individual salaries, a third to overhead expenses such as rent, equipment, supplies and a support staff and a third to profit.
- Using this standard multiply an individual's salary by three to calculate the mark-up required to ensure the profitability of the business.

# Hourly structures

- If a designer makes \$60,000/year the maximum target number of hours is 1,700, divide the annual salary by the hours (60,000 divided by 1,700). In this example the hourly cost to your business is \$35.
- If the designer works 1,700 hours in a year, the total fees billed should be ( $\$105 \times 1,700$ ) \$178,500.
- This is the maximum revenue you can generate from that designer.



## Hourly structures

- This is an example to help you understand costing.
- Now we balance these fees with the level of skill of each individual.
- A senior designer with an average salary of between \$50,000 to \$70,000/year may have a bill out rate of \$125 per hour.
- An intermediate designer's bill out rate may be \$100 per hour.
- A junior - \$75/hour.