# Start & Run *a* Graphic Design Business

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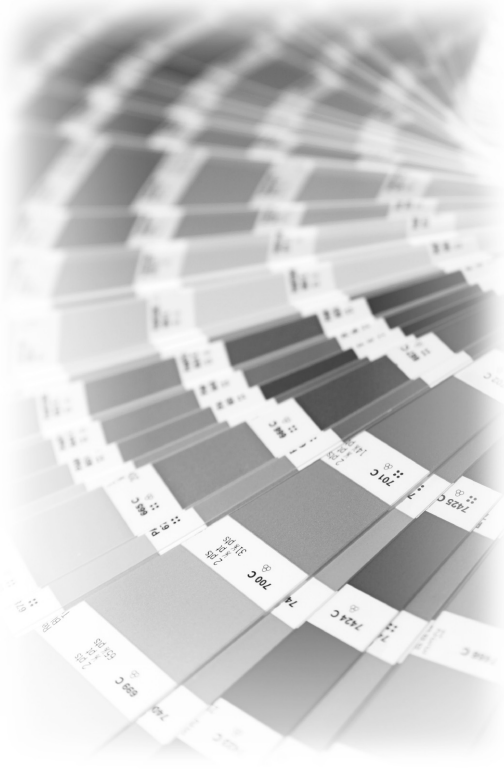


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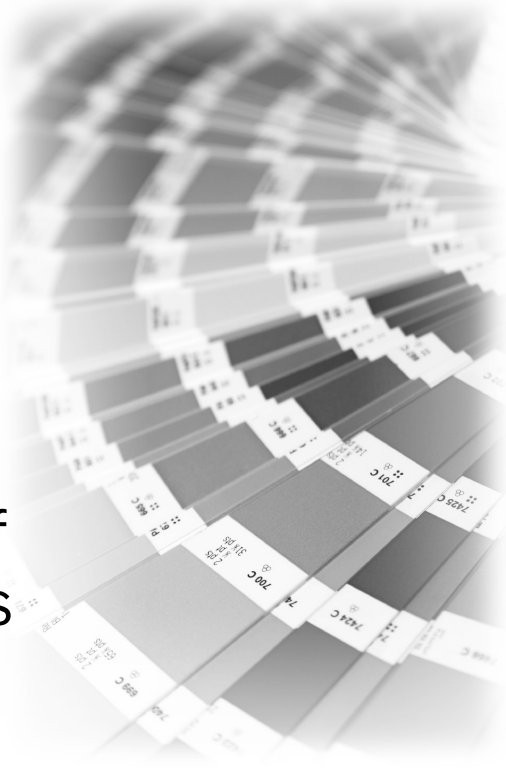
PART I

# Your New Business Adventure

# 1 one

# Getting Started:

# Understanding the Basics of the Graphic Design Business



I love the graphic design business. It's been a playground of endless stimulation for my overly active (and often distracted) mind for more than 20 years. It's always full of variety and the challenge of new and different work. One day I am designing a package for an electronics product, the next day I am creating a complete brand and identity for a large corporation.

The graphic design industry is a great place to apply your creative talents and get paid for doing what you love to do. I have never ever thought of what I do as work. In fact, I'm still nervous that somebody will discover how much fun I've been having for the past 20-plus years!

Owning your own graphic design firm is one of those dreams that can come true. If you are a person who enjoys solving problems creatively by applying your talents, you're in the right business. If you like to do it your way, and get highly rewarded for it, then you're reading the right book!

## 1. What Is Graphic Design?

Graphic design as a profession is often misunderstood. People are unaware of the impact it has on both business and society, because it's so diverse and ubiquitous. Graphic design can incorporate many things; from t-shirt design to annual reports; from movie posters and book design to street signs and beer coasters. Still, many people are unsure of what it is. Is it the ability to draw a picture? Is it creating a caricature of someone at an amusement park? Is it creating poster graphics, or is it graffiti on

a wall? The short answer to all those questions is, yes, it's all of these things and more.

The simplest way to understand graphic design is to think of it as *art applied to commerce*. Graphic design is most often applied to marketing, advertising, and commercial communications. Graphic design is a creative process that involves developing ideas, creating visuals, and organizing content for the purpose of selling, marketing, or advertising.

The art and business combination is what makes graphic design so unique. You may be a very creative person. Maybe you're someone who is able to paint, draw, design, and conceptualize all sorts of fantastic images and ideas on the computer, but if you aren't able to apply it so that others can use it to their advantage in their businesses — it probably isn't graphic design.

Design is valuable because of what it does for the businesses it serves. Companies use it to help draw attention to their products and services by making them stand apart from their competitors. In a nutshell, graphic design helps them sell their stuff quicker and more easily than their competitors.

Graphic design includes print ads, websites, logos, stationery, sell sheets, TV graphics, multimedia presentations, billboards, trade show displays, packaging, Point-of-Purchase (POP) displays, direct mail, and so much more. In fact, the list is almost endless. If you can see it, then graphic design most likely played some part in it. The big point of differentiation between art and graphic design is its purpose: Graphic design is used to promote somebody's business, product, or service.

Graphic design has some big uses in the business world:

- **To communicate important messages:** Graphic design is commonly used to make information easier to understand and digest. It's often used to bring clarity to complex or convoluted content, or to help communicate important messages.
- **To make something more appealing or more valuable:** This is commonly used on items such as books, magazines, and product packaging. In fact, sometimes the only real difference between products or services is the way they are packaged or presented! Graphic design can make one service or product seem more valuable simply by the way it looks on the outside. Manufacturers know that products can experience new growth by receiving a graphic design overhaul without any real modification of the product. This means graphic design can help increase sales.
- **To sell something:** This can be in the form of attracting attention or helping someone through a sales message as he or she reads a brochure. It can be used in an advertisement or billboard, or it can help someone navigate information on a website more effectively.
- **To get attention:** Design is a key tool for attracting attention. Having an important message is worthless today if no one takes notice of it and reads it! Businesses know this. They spend millions of dollars annually just to get their message out to an overly stimulated market. They need communication that cuts through the clutter, and diverts attention from their competitors to their own products.

## 2. Understanding the Three Forms of Media

Graphic design uses *media* to promote, inform, persuade, or sell to prospects and customers. Media is simply the device or vehicle that is used to deliver the message to the person reading it. Generally, you can group media into three basic categories that designers most commonly use.

- **Print media:** This category includes brochures, flyers, books, and booklets — basically anything that requires traditional printing. Often print media has other speciality subset categories that make these media even more complex such as outdoor media, advertising media, and magazines.
- **Digital media:** Surf the Internet for 30 seconds and you are bombarded with graphic imagery. It's everywhere on the Internet and the demand is only getting higher. In fact, the Internet is one of the biggest consumers of graphic design. Businesses and people use design to get and keep a person's attention. Digital media applies to any type of presentation that appears on your computer. It could be a PowerPoint presentation, a slide show, or some other computer-related imagery.
- **Film media:** The use of traditional film has changed dramatically, and actual "film" is not used as it once was. Film media covers both traditional film and digital film, including video. This could include graphics for television advertising, sports, titles for movies, or short video spots.

## 3. Who Buys Graphic Design Services?

Graphic design services can be targeted to a wide variety of clients such as marketing managers, business owners, CEOs, PR departments, and just about anyone who uses visual media to communicate, persuade, or sell to others.

Some of the largest buyers of design services are big corporations with marketing departments who create many programs and have substantial budgets. In these types of companies you often deal with a marketing professional of some sort; for example, the VP of marketing or a marketing manager. In fact, many large companies may have more than one division with more than one marketing manager. It's like having many clients in one location. These businesses can represent a one-stop shop for your business. As a result, some designers never have to market or advertise to individuals outside of one company.

Many midsized businesses also have marketing managers who use design services. These individuals often don't have the internal staff to help support their departments so they regularly use the services of outside designers. They are constantly on the lookout for new talent and fresh thinking.

Another big market for design services is the entrepreneur. Depending on the size and structure of the company you service, you may never deal with a marketing person. Instead, you might deal with the actual owner, a business partner, or even the VP of sales. It all depends on the type of company it is and the business structure they have. Most often you will be dealing with someone who is directly responsible for business development (i.e., growing the business).

This only covers those who use design to advertise and market. There are many other buyers of design services who use graphic design as part of their final product; for example, book publishing companies, magazine publishers, and manufacturers of products are also great potential customers for your graphic design business.

## 4. Graphic Design Specialties

Many people you deal with may not have any experience in purchasing design — they just know that they need *something*. For example, website design. Almost all businesses today need a website — from super large corporations to the mom-and-pop shops down the street. When a designer specializes in one particular design discipline he or she can attract clients from many different markets. You'll practically find a market for any type of design discipline. If you can do it, and specialize in it, then you can bet that someone is probably looking for it. Here are just a few graphic design specialties:

- Packaging
- Web
- Trade show
- Marketing and promotions
- Point-of-purchase (POP) display
- Signs
- Business-to-business (B2B) communications
- Business-to-consumer (B2C) or retail design
- Advertising
- Direct response
- Corporate identity and branding

## 5. Can You Make a Living in the Graphic Design Business?

The answer is yes, you can make a living in the graphic design business, but first you'll have to get your left-brain working a little for you. You'll need to learn new skills and abilities that you probably never imagined you would need. You'll need business and people skills that will not only make your design talents far more attractive but more profitable as well.

One of the neat things about starting your own design business is that almost anyone can give it a whirl, with very little risk. Starting your design business can happen with just a little overhead and relatively small start-up costs. You can literally start your business tomorrow with a computer, a basic printer, some business cards, and a desk to work on. Of course you'll need a little talent, a computer program or two, a few interpersonal skills, a little practice, and the desire to keep learning. That stuff won't be hard to pick up and before you know it, you'll be all set!

With the current overcrowded communications environment it's no wonder that effective visuals are always in high demand. Graphic design is everywhere. It impacts our lives moment by moment, and most of us just accept it as part of our culture. We see evidence of it every day. In fact, thousands of businesses use graphic design in one form or another. It attracts our attention and gains our mind share, which is consumer awareness of a brand or product. Businesses all over the world want to stand out and be remembered by people so it's no surprise that good design communication is always in demand.

Graphic design thrives in a competitive marketplace, and that's where we find ourselves today. We're not just talking about local competition! Thanks to technology, almost any

company is able to do business and compete globally. In fact more competition has made the need to be seen and heard a must. It's the designer's job to combine image, offer, and message in an unforgettable way that impacts people and increases sales. It's the graphic designer that plays an important role in helping get those messages to the world in a way that gets people to stop and take notice.

## 5.1 What can you expect to earn?

A graphic design business owner can expect to be paid well for his or her services. Depending on what type of structure you choose for your business — a solo design firm, a small firm of five or six people, or a big company consisting of many people — you can choose how much you want to make and what type of role and responsibility you want to have in your business.

With a solo design firm you can make anywhere from $40,000 to $90,000 a year working from home. If you choose to grow your business and hire employees, you can increase your revenue to more than six figures.

In a recent poll of design entrepreneurs on ForGraphicDesignersOnly.com I asked how much other design business owners make each year. The answer was that 47.7 percent said their salary ranged between $50,000 and $129,000 yearly.

In the US, the AIGA (American Institute of Graphic Arts, the professional association for design) reports graphic design business owners' salaries ranged from $65,000 to $140,000 per year in 2008, with the median salary at $95,000. These salary ranges don't include other compensation such as benefits, bonuses, and various business write-offs you can include in order to be extremely profitable.

In Canada, the RGD (Registered Graphic Designers) 2007–2008 Ontario survey reports solo entrepreneurs making between $47,000 and $50,000, and owners of small firms making a median of $65,000.

The opportunity to create a lucrative business is a good one. You can find out more about salaries and rate surveys by contacting the AIGA in the US or the Ontario RGD in Canada. Both of these organizations provide surveys to their members and are great organizations to join. For more information and links to these organizations, see "Resources" included on the CD.

It's important to keep in mind that these numbers are based on national averages and that there are many factors that will affect what you are able to make. For instance, some regions will be able to demand more than others and some markets will be more lucrative than others. There's also the matter of your experience. Obviously the more experience and knowledge you have, the more likely you'll be able to demand more for your services.

The beauty of the graphic design field is that it is your ability to perform and create that helps determine your success. It's not your years in the business or your design degree. Even a newbie has the chance to make a lucrative business for himself or herself. Depending on how big you want to grow your business, and the type of markets you sell to, the sky's the limit.