



A Simple Model to **Price Your Creative Work for Profit**

QUICK WIN WORKSHEET



STEP 1: YOUR DESIRED INCOME

What do you want to be able to pay yourself annually? If you find it easier to think of it as a monthly figure start there and multiple by 12.

ANNUAL INCOME:

STEP 2: COSTS

List all of the annual costs in your business: subscriptions, materials and equipment, software, marketing, accounting fees, personal development & training etc

ITEM:

ANNUAL COST:

Make an annual allowance for your tax, superannuation (pension) and GST (or equivalent if they're applicable to you)

SUPERANNUATION

TAX

GST

Add all of these costs together.

ANNUAL COSTS:

STEP 3: GROSS REVENUE (TOTAL SALES)

Add your Annual Income to your Annual Costs, this will give you your total Gross Revenue aka the sales you need to make annually

ANNUAL INCOME:

+

ANNUAL COSTS:

=

GROSS REVENUE:

STEP 4: WORKING HOURS

How many weeks a year will you be available to/do you want to work, ensure you allow for downtime, holidays, sickness etc

TOTAL WEEKS:

How many hours a week do you want to work?
As a general rule around 20-25 would be the maximum without getting burned out.

TOTAL HOURS P/WEEK:

Now, multiply the total weeks you will be available to work by the number of hours you want to work each week.

TOTAL WEEKS:

X

TOTAL HOURS P/WEEK:

=

TOTAL AVAILABLE WORKING HOURS:

STEP 4: MINIMUM ALLOWABLE RATE

Take your Gross (total) Revenue goal and divide that by your Total Working Hours

GROSS REVENUE:

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TOTAL WORKING HOURS

This will give you the minimum rate you should charge per hour in order to reach your annual income (profit) goal.

=

MAR: \$

STEP 5: THE VALUE PERCENTAGE

Your Minimum Allowable Rate is an hourly unit to help you cost projects based on time. I don't recommend you either share this rate with the client or tell them the hours you have allowed when you estimate a project. **It is an internal pricing tool.**

Now you have this as your starting point, you can also add a percentage onto a project estimate based on any factors that you wish: complexity, short time frame, additional stakeholders etc. The MAR is only a starting point. Anything over that is also pure profit.

Please note this is general advice, I'm not an accountant or qualified financial analyst. This model is to be used as a guide only. The financial results in your business are based on a number of factors and your individual circumstances should be considered when making financial decisions.

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Everyday I see amazing, talented graphic designers and creatives doing their thing... solving creative problems, innovating and crafting wow worthy work.

But whilst they invest time honing their creative skills, who's teaching them how to run a successful creative business...? To manage the money, the clients and the projects to make a healthy profit, stay sane and hold on to their creative mojo.

For almost 2 decades, I worked in global agencies as a design, strategy and business lead. I helped those agencies grow and expand, whilst sticking to their guns, cultivating happy people and producing great work.

And for the last 7 years I've built (and stayed in love with) my own successful, multi-six figure creative consultancy... on my terms.

And now, amazing creative person, I want to help you do the same.

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