Professional and Business 1

M5X01982

Ryan Stuckey

Professional Practice

Week 2 : Your own practice

Your own practice – What's involved?

Lecture 2 Contents:

Business Planning

Deciding on your USP and researching competition

Deciding on a company name and registering the company

Assessing any setup costs and put funding in place

Designing logo – defining your brand

Creating letterheads and business cards

Creating drawing borders

Getting insurances

Getting financial advice. Doing tax returns.

Marketing and Business Development

Website & Networking

Moral code of conduct & professional bodies

Business Plans

Before starting a business it is advisable to have a business plan:

- For your own understanding and control of the business.
- To ensure you have prepared yourself and your finances.
- Often requested by lenders and grant organisations to assess your eligibility.
- A living document to help steer your business and monitor performance.
- Will need updating as your business develops and grows.

Business Plan – summary of typical contents

www.businesslink.gov.uk gives guidance and templates for business plans.

- Executive summary

Overview of the business you are starting

- Vision

Short, medium and long term plan
Unique selling point
Patents, trade marks or design registrations you hold or need to hold
Any special legal or insurance obligations that your business will need to meet

- Sales and marketing

Market & competitor research
Your prices
Plans for promoting your service

- Running the business

Staff, premises and equipment required
Your key suppliers, what you'll buy from them
Financial risks - eg sales being lower than forecasted
& how you would minimise the impact of these

USP, target customer and competition research

Research the competition

Answer the following questions:

- Who are the other existing local interior design firms?
- What type of interior design do they specialise in?
- What are their strengths and weaknesses?
- Is there a gap in the market?

What is your USP? (Unique selling point)

- Maybe you specialise in a certain sector?
- Maybe you are lower cost than your competitors?
- Maybe you are higher end luxury than your competitors?
- Maybe you have a different aesthetic style to your competitors?
- Maybe you offer more 3D visualisations?

I.e. anything which is a selling point unique to you and not your competitors.

USP, target customer and competition research

Is there a market for your USP?

Do other people offer your specialism locally or nationally?
Can you learn anything from their example?

Speak to potential customers to see where they stand

e.g. if your specialism is in hotel refurbishment, speak to as many hotels as possible to find out how they source and procure their design work. Who do they currently use if anyone?

Be open to adapting your plan to react to the research results.

If there is no market don't flog a dead donkey!

Choosing a name – what image or preconceptions does it evoke?

Todhunter Earle

Office Image

Interior Design West Midlands

Studio Guglielmo Berchicci

Individual interior design

Pink Hat Eco designs

Cube Design

Woodhouse & Law

Registering the company name

Companies House

- Keeps a list of all registered companies in the UK
- In Cardiff of all places!
- You must register your company with them by law under the Companies Act if you are starting a ltd company. Information is publically visible.

www.companieshouse.gov.uk

They require:
Company Name and Address
Officer Details (Director and Secretary)
Share Capital and Shareholder Details
Yearly accounts

You can do it yourself by filling in their forms, or pay an agent to do it for you.

Company legal status

Sole trader

Owned and controlled by a single person

Pros: Minimal cost.
All control and profits belong to you.

Cons: Unlimited liability for debts incurred.
Fewer entitlements to social security benefits should the business fail or struggle to survive

Partnership

Owned and controlled by 2 or more persons who are parties to a partnership agreement

Pros: Share the financial risk
Cover for each others holiday
Shared skill sets and contacts

Cons: Unlimited liability for debts incurred.
Disagreements between partners may mean that the business is at risk.
All partners can be held responsible for any negligence that occurs.
The partnership has no legal existence of its own, and therefore should anything happen to one of the partners, the partnership will need to be dissolved.

Company legal status

Limited company (Ltd)

A limited company is treated as a separate entity from its owners, with its own legal existence. The company's finances are separate from the personal finances of the owners.

Pros:
- Limited liability for debts. Ie your own home won't be repossessed.
- Organisation may have an unlimited lifespan.
- Capital can be raised by issuing shares.
- A board of directors and management team control the business.
- Directors are salaried and pay tax in the normal way
- The business may be perceived as more professional than sole trader status.

Cons:
- Costs associated with setting up and administering the business are higher.
- Stringent accounting and auditing procedures apply

Must register company with Companies House

Company legal status

Limited liability partnership (LLP)

A hybrid of a partnership and limited company.

Each partners liability is limited to the money that they have put into the business and the amount of personal guarantees they have given to raise any finance for the business.

At least two partners must be designated as members and have additional responsibilities.

If you are a member of an LLP then the profits are taxable as they would be if you were a self-employed.

Must register company with Companies House

Assessing costs and getting funding

What do you need to buy to start trading?

E.g.
- IT equipment?
- Software?
- Stationary – Letterheads, business cards, paper, ink?
- Email address and web domain?
- Insurance

How much will these things cost?
Do you have the money for them?

- A business loan
- A business grant

Grants are out there:

- European grants
- Government grants
- Local grants

Visit www.startups.co.uk for advice: what grants are available and how to apply

Financial advice & tax

- Set up a business bank account
- Register for VAT if your turnover is more than £77k

Do yearly tax returns (i.e. self assessment)
See www.hmrc.gov.uk

You can:

- do this yourself using forms from the inland revenue
- Pay an accountant to do your tax returns

Financial advice can be sought from:

- Your bank
- Citizens advice bureau
- Independent financial advisers (charge for their service)

Planning your finances

Your personal survival budget

- Work out the minimum monthly income you'll need to cover you

- Consider having an emergency plan for meeting this amount for as many months as possible if your business income doesn't match it:

  - Savings to tide you over
  - Other employment options. Keep your CV up to date at all times to apply quickly if needs be.
  - Low interest business loans and overdraft facilities
  - Backup from family or friends
  - Remortgaging – drastic!

Brand Logo

Things to consider:

Choose the font carefully

Look at other logos to see what works and what doesn't

Keep it simple and stylish

Not too many colours for print cost considerations

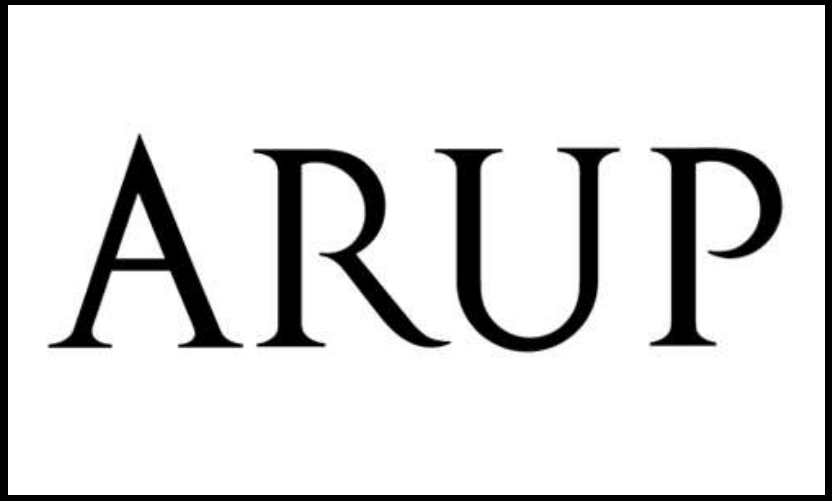
Avoid cheesy straplines

Should be clear when printed very small (e.g. on business card)

It should be unique and easily recognisable

Example Logos

powelldobson
VISUALISATION



Letterheads

Must include:

- Full corporate name of the company
- Company's legal status e.g sole trader, Partnership, LLP, Ltd.
- Company's registered office address
- Company's place of registration (e.g England and Wales)
- Company's registration number from Companies House if a ltd company
- The names of either all of the directors or none of them but you cannot pick and choose certain names and not others.

Example letterhead

Davis Langdon

7th July 2009

4 Pierhead Street
Capital Waterside
Cardiff CF10 4QP

Tel: +44 (0)29 2049 7497
Fax: +44 (0)29 2049 7111

www.davislangdon.com

Martin Roe
Austin Smith Lord
Dunleavy Drive
Cardiff
CF11 0SN

Dear Martin,

Kind regards

Partner
Davis Langdon LLP

Project Management | Cost Management | Management Consulting | Legal Support | Specification Consulting | Engineering Services | Property Tax & Finance

Davis Langdon LLP is a limited liability partnership registered in England and Wales with registered number OC308811. A list of members' names is available for inspection at 99 City Road, 1 Hill Holborn, London WC1V 6QS, the firm's principal place of business and registered office.

Davis Langdon LLP is a member firm of Davis Langdon & Seah International with offices in England, Scotland, Wales, Ireland, France, Spain, Poland, Lebanon, Bahrain, UAE, Qatar, Saudi Arabia, Egypt, Russia, China, Hong Kong, India, Indonesia, Korea, Malaysia, Philippines, Singapore, Thailand, Vietnam, Australia, New Zealand, South Africa, Botswana and the USA.

Business Cards

Should include:

- Your name
- Full corporate name of the company
- Company's legal status e.g sole trader, Partnership, LLP, Ltd.
- Telephone number & email address

Business Cards

Characteristics of a good business card:

- Stands out from other cards, easily recogniseable
- Printed on good quality card
- Clarity of the service offered
- Clarity of information
- Standard size
- Reinforces the brand message

Example business cards

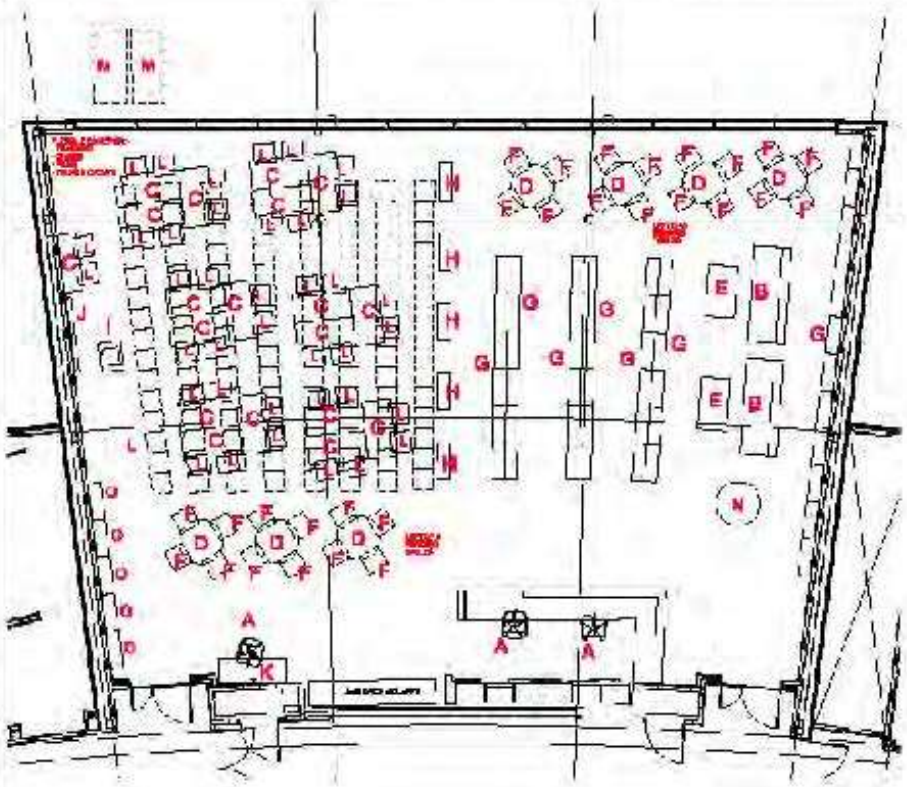
Example business cards

Drawing borders

Should include:

- Full corporate name of the company
- Company's legal status
- Company's registered office address
- Company's place of registration (e.g England and Wales)
- Company's registration number from Companies House if a ltd company
- The name and number of the project
- The drawing title and number
- The scale and paper size (e.g 1:100@A3)
- Drawing status (e.g. information / tender / construction)
- Space for revision notes
- Initials of the person who drew / revised the drawing
- Notes regarding the use of the drawing (not scaling from it etc)
- Copyright note

Example A3 drawing border



PLAN

ITEM	PRODUCT (OR EQUIVALENT TO)	No.
A		5
B		7
C		16
D		7
E		2
F		16
G		48
H		4
I		1
J		1
K		1
L		120
M		2
N		1
O		1

FURNITURE LEGEND

Revision	Description	By	Chkd By	Date
*	Initial issue	KLS	MB	26/01/12
A	Updated as per schedule comments	KLS	MB	31/01/12
B	Draft: tender issue	KLS	MB	31/01/12
C	Tender issue	KLS	MB	24/02/12

Austin-Smith:Lord

Project: St Teilo's CW High School
Cardiff City Council
Description: Learning Area 1 & 2 - Library
Loose furniture planning

Job No. 310158
Drawing No. L(72)010
Revision * A B C

Example A1 drawing border

Drawing border information

Revision	Description	By	Chkd By	Date
*	Initial input	KLS	MR	29.10.12
A	Updated as per school's comments	KLS	MR	18.11.12
B	Draft tender issue	KLS	MR	02.01.13
C	Tender issue	KLS	MR	04.02.13

DO NOT SCALE. Use figured dimensions only. The contractor is requested to check all dimensions before the work is put in hand.

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This drawing must only be used for the purpose for which it is supplied and its contents must not be reproduced for any purpose without written permission.

No areas indicated, or areas calculated from this drawing should be used for valuation purposes or as the basis for development contracts.

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Drawn	KLS
Date	07.09.12
Scale	1:100 @ A3
Status	TENDER

Austin-Smith:Lord LLP
Architects Designers Planners
Landscape Architects
one Dunleavy Drive
Cardiff
CF11 0SN
t 02920 225 208
f 02920 225 230
e cardiff@austinsmithlord.com

St Teilo's
Church-in-Wales High School

Austin·Smith:Lord

Project	St. Teilos CIW High School
	Cardiff City Council
Description	Room Type 18 - Library
	Loose furniture drawing

Job No.	Drawing No.	Revision	*	A	B	C	
310493	L(72)018						

Copyright

Copyright laws

Source: *"Copyright issues on the protection of architectural works and designs"*
Mann. P. & Denoncourt . J .
University of Reading 2009

- Law protects original work
- No official copyright registry in the United Kingdom nor is there any requirement to pay registration fees to secure copyright protection.
- Copyright protection is automatic once a tangible medium of expression in any form of an innovative material, conforming the Copyright Designs and Patents Act 1988, is created.
- Designs are protected as literary works (design drawings and plans) and as artistic works (the building or model of the building).

Copyright

- Copyright owners have the right to control:

  reproduction
  display
  publication
  derivation

  of the architectural design.

- The law only protects the expression of ideas but not the ideas themselves.

Summary: You are breaking the law if you directly copy other peoples drawings. Equally you have the right to take legal action if others copy yours.

Insurance

Insurance – why you need it:

If something goes wrong on a project which creates extra cost or delays, blame will be apportioned accordingly.

If you are to blame you will be liable for covering the cost. If you do not have insurance you will have to cover this from your own pocket.

The blame game and how to protect yourself is covered in more depth in a later lecture.

2 different types are recommended:

- Professional indemnity insurance
- Public liability insurance

(Employer's Liability & Product Liability insurances may also be relevant)

Insurance

Professional indemnity insurance (PII)

- Also known as
  - Professional Liability Insurance (PLI)
  - Errors & Omissions (E&O)

- Covers professional mistakes in your work

- Usually covers:
  - Incurred costs to cover mistake if you are found to blame
  - Incurred legal costs for defending yourself

- Often required by clients to qualify for projects. They may wish to see your certificate and how far your cover goes and to what £ value.

- Surprisingly affordable! Lower cost if you are purely making non structural changes.

E.g. You have instructed the contractor to demolish a fireplace. The client's husband visits site and is devastated that his favourite fireplace is gone. You do not have his wife's permission in writing and she denies she gave it verbally over the phone. They demand the money for replacing it. The contractor requests you cover their delay costs.

Insurance

Public liability insurance

- Covers your liability for any damage you may do to another person, or property, accidentally whilst undertaking work

E.g

- You accidentally give your client food poisoning when providing food for a lunchtime meeting.
- Your client comes to your workplace and hurts themself slipping on the wet floor in reception.

NOTE: No insurance can protect you from criminal prosecutions!

Business Development: Creating a business email address

Business email address:

Appears more professional to have a private business email address rather than a public email provider such as hotmail, gmail, yahoo etc

E.g.

Elys@glamorgandesigners.com

rather than

Elysthedude@hotmail.com

NB. You can set an email address up as a cover address that forwards automatically to your private email if needs be.

You can either set up a website and email address yourself online or pay companies to do this for you. It is getting easier to do it yourself online.

Business Development: Company website

The following legally has to either be on your website, or be available to view at your business premises. It usual to put them on the website:

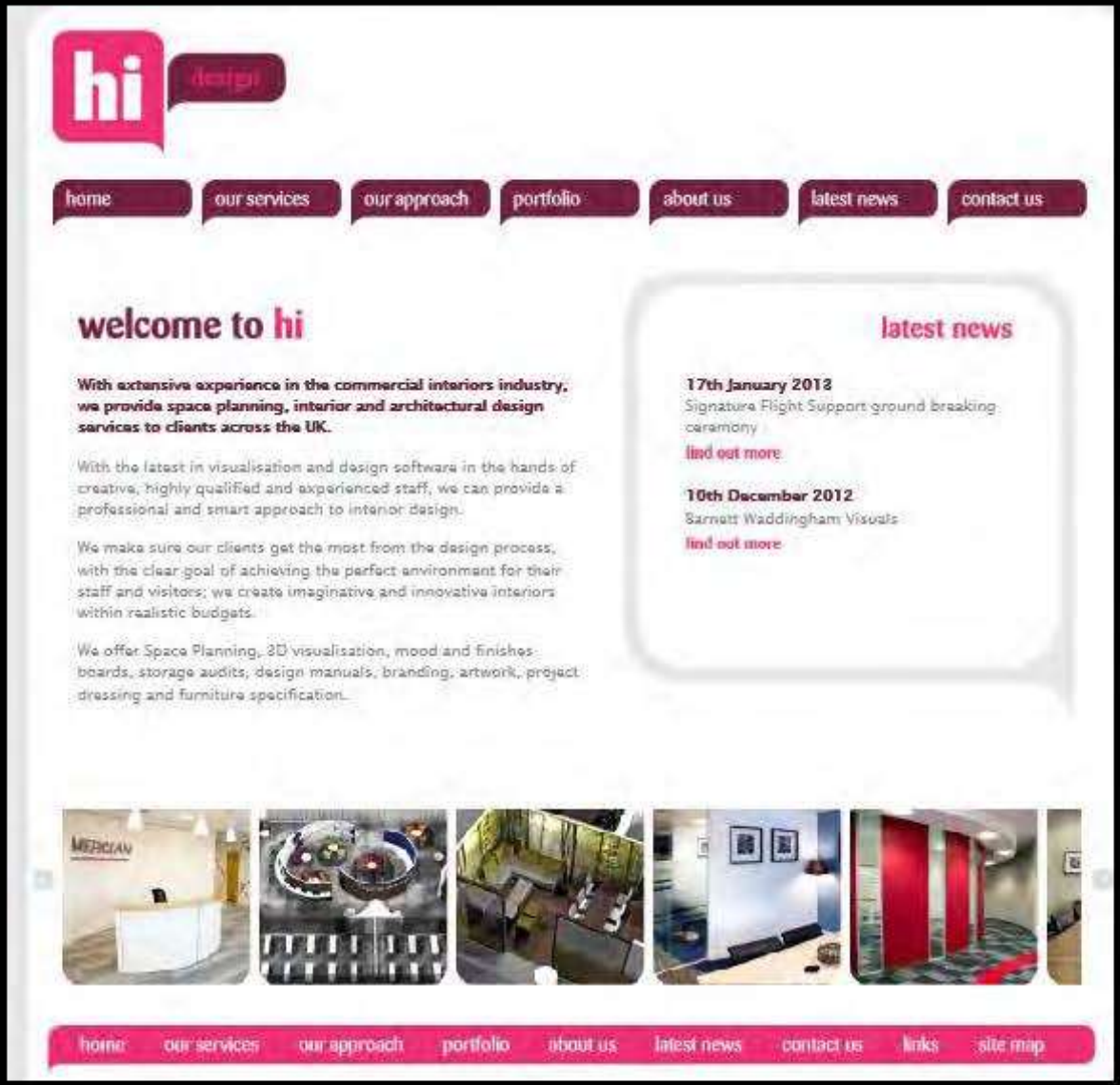
- Company's VAT number
- Membership of any professional body or code of conduct the firm is subject to
- Terms of business usually used (e.g ID/10)
- Contact details of your PI insurer and where territorially your insurance covers you
- Outline of the main features of your service

Business Development: Company website

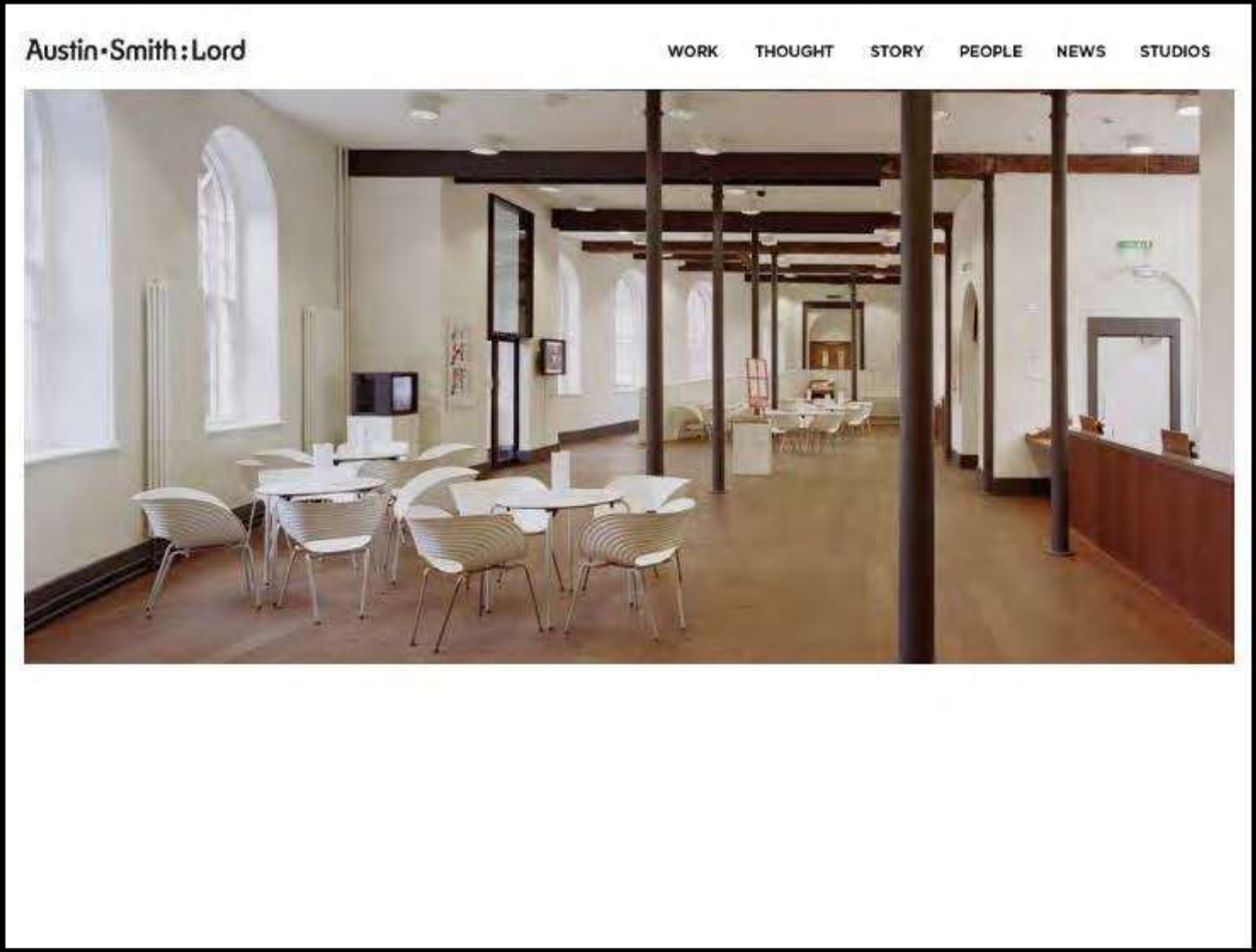
Characteristics of a good ID business website:

- Stylish – reflection of your design ability
- Simple to navigate
- Include a portfolio of high quality project work
- Shows your qualifications
- Contact details are easily found from any page

Example websites



Example websites



Example websites

Cloud

PROJECTS | EXPERTISE | NEWS | ABOUT US | PRESS | CONTACT

Interior Design

'Cloud have a brilliant balance of creativity and hands on practicality...'

Private Client - Islington

Example websites

Example websites

HOME | COMPANY | DESIGN | FURNITURE | PROPERTY | CONTACT

Wandering through the house today I felt really good about how it is all coming together, so thank you for all your time and effort - it is very much appreciated. Having seen all the little touches which you do to finish your lodges has inspired me to get my act together - it does make a difference!! I have found you fantastic to work with and have also learned how to deal with my gardeners etc from your professional approach. As I have said before I would not undertake our next house without involving you from the start'

Karen Gordon

As a interior designer in Gloucestershire, I am naturally interested in your individual needs.

Run your mouse over the images below to view a selection of designs and styles that I have created in the past for many satisfied clients.

If you would like to request further information or discuss your individual requirements then please fill in your details on the form on the Contact page.

Lorraine Goble Interior Designer | 3 The Limes Station Road South Cerney Gloucestershire GL7 5RF
Tel/Fax: 01285 869349 | Mobile: 0780 3293732 | Email: lgobledesign@aol.com

Home | Company | Interior Design in Gloucestershire | Property | Contact

Marketing and Business Development

Finding the next project, and securing pipelines for future work:

The 4 Ps

-Product / service: Make sure your customers are satisfied with the service.
Are you best providing what they want or need? Word of mouth is powerful.

-Price: Set your prices carefully, backed up with research.

-Place: Where will people find out about you? Where do they normally go to get your service?

-Promotion: Where and when can you get across your marketing messages to your target market?

Promotional Mix:

1- Personal Selling

2- Advertising

3- Direct Marketing

4- PR

5- Sales promotion

Promotional Mix – Personal Selling (Networking)

1- Personal Selling

Keep your ear to the ground and make business relationships.

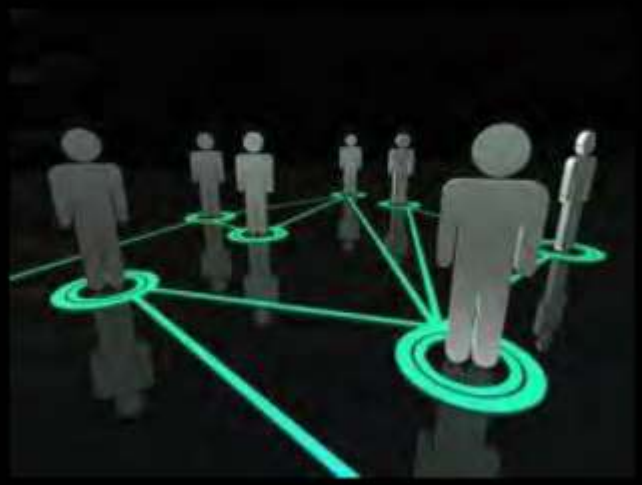
CRM – Customer Relationship Management

Keep a document of who your contacts are, when you last saw them and when you should next meet.

Research who your next client could be:

- Estates managers?
- Hotel managers?
- Wealthy home owners?

Try to get in touch. Avoid cold calling if possible. Introductions through someone you know are often more fruitful.



Promotional Mix – Personal Selling (Networking)

B2b meetings

Informal in a coffee shop or formal in offices. Take a note pad to make a note of anything of interest they tell you. Take an A4 portfolio. There may be actions for you that come out of the meeting. Track these also.

Networking events

- Speed networking
- Conferences

Business clubs

- First Thursday club
- Hugh James Curry Club
- Chamber of commerce
- Women in Property

Online networking

– LinkedIn
- Small world
- Facebook
- Twitter

Promotional Mix - Advertising & Direct Marketing

2 - Advertising:

Magazine adverts
Trade adverts
TV adverts
Radio adverts
Even on the side of a bus?!

NB. Consider the image of the business. Do not want to appear crass or desperate!

Trade shows & Events advertising

3 - Direct marketing:

Leaflet dropping

Promotional Mix – Public Relations

4 - PR:

Writing articles in magazines read by potential clients
Press articles about projects (with client's permission) or company successes

5 - Sales promotions:

Offers
Vouchers
Added incentives

Moral code of conduct & Professional bodies

Membership of professional bodies

- Costs money

- Can appeal to clients as reassurance of your professional ability

- Provides training and advice

- Provides literature and contracts

BIID – British Institute of Interior Design

RIBA – Royal Institute of British Architects

CIAT – Chartered Institute of Architectural Technologists

RICS – Royal Institution of Chartered Surveyors

Where to go for more information and help

www.companieshouse.gov.uk
How to register a company

www.business.wales.gov.uk
Business Wales is the Welsh Government's business support service for businesses. They help you with advice on starting and running a business in Wales and where to get potential grants.

www.businesslink.gov.uk
Information about starting up and running a business in the UK, including help if you're self employed or a sole trader. Business Plan template downloads.

www.score.org
Free business advice and local workshops for small business startups

Assignment

- Create your own architectural practice with name and logo
- Create a company business card with letterhead
- Outline your Unique Selling Point (USP) and research competitors
- Create a drawing border for A3 drawings with all necessary information