



November

2004

**Steven L. Larson**  
**Pricing for Profit**  
**How to Beat the Competition and Boost the Bottom Line**

Steve has been a professional photographer since 1969. Along with his wife Maureen, they have owned and operated the Portrait Gallery since 1976. They specialize in weddings, general portraiture, light industrial and commercial, digital prepress and graphic design.

Steve has a Bachelors of Science Degree in Management and a certificate in Sales and Marketing from Cardinal Stritch College, Milwaukee, Wisconsin. He has finished his graduate studies in a MBA program. His Masters thesis was on "Maximizing Membership in a Photography Association."

Steve has his "Master of Photography" degree, "Photographic Craftsman" degree, Minnesota "Accredited" Photographers degree and has been a Certified Professional Photographer since 1983. He currently is the Chair of PPA's Business Initiative Committee, and a committee member of PPA's Continuing Education Committee.

Steve has been active in teaching, speaking and instructing professional photographers since 1983. He has taught many 2-3 hour programs, full day workshops and week long programs at PPA Affiliate schools. He has given over 100 programs for PPA and PPA affiliates. Steve has over 16 programs including one of his latest, "Pricing for Profit."

Pricing is one of the most crucial elements in establishing a profitable portrait and wedding studio. Most photographers base their prices on what the competition is charging. While this will make you competitive, it will not maximize your profitability. The program will explain the price versus value quotient and how the consumer feels about and views your product price offerings.

This program will look at the three pricing models and explain when to use each strategy. These pricing models are: (1) Cost based pricing, (2) Competitive based pricing, and (3) Demand based pricing. Every studio should be using components of all three pricing models to establish their studio price lists. This program will explain and show you how to make it work for your studio.

We will also look at various pricing strategies to reduce a clients price resistance and encourage larger sales. Also included will be discussing package pricing, ala-carte pricing, incentive based pricing, creating value bundles, handling telephone price inquires, three philosophies of establishing session fees, how to increase your prices without jeopardizing your market, and five ways to increase your profits.

No matter what your prices are today, this program will help you know what are the next steps for your business. This program could possibly be the difference maker to take you to the next level in your business profitability and personal life style.

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*Although this not a Technical How-To, it is, nonetheless, a good introduction to how artists -- especially emerging ones -- can start thinking about the business side of art. This was written primarily for traditional artists, and while I may not completely share the somewhat-gloomy prospects of digitally created and produced art, there is a lot of very sane and practical advice here. -- Harald Johnson)*

**Business Guidelines for Emerging Artists**  
by Mike Booth  
Editor & Publisher, World Printmakers

How many people do we know with high levels of artistic sensitivity and loads of talent who find themselves working at lackluster day jobs, but whose dream is to make their livings as artists? Fair enough, the dream is not so easy to achieve, but it's not impossible. A friend who is just two years into his artistic lifetime and who is finding it tough going, asked me what he might do to give his career a boost and get him a little bit closer to hanging out his shingle: "Full-Time Working Artist."

Much as I hate to say it, I may as well get it out front from the outset. If you want to make a living from your art, you're talking about business. I can just hear you: "Arrgh, I hate business, I'm no good at it, I could never go out peddling my work..." The Spanish have a wise saying for situations like this: "*Nunca digas 'de esa agua no beberé', ni que 'ese cura no es mi padre...'*" "Never say, 'From that water I shall never drink' nor 'That priest is not my father...'"

So, there you have it, if you aspire to live from your art-to be a "working artist"-you're going to have to get a little bit businesslike. Before an entrepreneur embarks on a business venture he researches and writes-you guessed it-a business plan. If this sounds daunting to you, you might be relieved to know that some of the most successful small-business plans have been drafted on the backs of envelopes. What they're about is mundane stuff like assessments of the product, the market, the resources at hand, the nuts and bolts of the business, a marketing plan and some financial projections.

**The Mission Statement**

What all business plans have in common is a "mission statement," a brief exposition of the essence of the company and its objectives. That is to say, what business are you in, and where do you want to go? This sounds almost too obvious to bother with but, believe me, it's not. It's the genetic code of your little company and if you get it wrong at the beginning, when the cells of the embryo of your art business are just beginning to divide, you're sure to run into trouble down the line. So figure out what your mission is and write it down in one sentence. There are lots of possibilities; everybody has his own. Let's look at a few.

1. "*I want to be famous.*" This is not serious. It's confusing an almost-random accident with a career in art. If being famous is really important to you you'd be better off doing what Evel Knievel did: soar halfway across the Grand Canyon on a motorcycle. He's famous. When you think about it, it's amazing just how many artists are right at this moment astride that metaphorical motorcycle, roaring up that ramp and out into the blue. Good luck to them all. But is it art?

2. "*I want to create new forms of expression and change the world.*" You're too young. Wait five years and start again.

3. "*I want to devote my spare time to fulfilling and meaningful activity. I would like to exhibit my work so as to share it with others, receive their feedback and continue to progress.*" There may be some hope for you.

4. "*I want to be able to make a living doing what I love best.*" This is a bit trickier, but you might have a go. The worst that can happen is that you have to scale back your aspirations and get a job.

**The Business Plan**

Your business plan is your road map for reaching the objectives you have laid down in your mission statement. The world will not necessarily beat a path to your door, no matter how good your artwork is. You must decide upon your best "route to market" (galleries, agents, direct, etc...) and do not be frightened by the dreaded word "sell." The rules for selling manhole covers and those for marketing fine art have a lot in common, not everything but a lot, so be prepared to start thinking in terms of "selling a product."

Your product is you and your artwork. Yes, you too, not just the work, don't ever lose sight of that fact! You and your work are Siamese twins. The question is, together do you make up a viable product? You don't know? Find out. Ask some experts or at least some friends and colleagues whose criteria you respect. Because if you don't have a viable product you may as well forget about art and go into banking. Either that or spend the next few years working on R&D. Again, this sounds obvious. But how many would-be professional artists even give it a thought before betting the ranch?

Then there's the market. Take a hard look at your market and decide how much of it you're going to attack from the outset. Local, national, global? (The Internet now makes it possible for you to go global. For a little extra work and investment you can offer your work in the entire world market.) What's selling and who's buying? Do your homework; find out. This is market research. It's essential, but need not be expensive nor complicated for an artist on a local level. Start asking around. People love to answer questions. They're usually flattered that you should ask them. And they're delighted to talk to a real, live artist. You may be surprised to find out how productive this activity in itself can be. Suddenly people begin to be aware that you exist as an artist. They will help you if they can.

Is there a niche where you could make a positive impact? Is there a B2B (business to business) opportunity in your market which other artists have overlooked? Are there companies or distributors you might approach, prospective clients you might contact beforehand. It would be nice to start up with a couple of clients!

This market research work will lead you to all the local galleries. Be businesslike with them; make an appointment and don't waste their time. But do take along a portfolio of your work and something to leave with them, whether it's a CD-ROM with your multi-media presentation or just a business card with your website address. (You don't have a website yet? That's your first priority, then.) If you don't do this essential homework and you flop, don't say I didn't warn you. You will be like my friend Vicente, who is always complaining that he never wins the lottery. "Do you ever buy lottery tickets, Vicente?" "No."

**Is the Market Ready for You?**

You may have a great product for which the market is not yet ready. This is the situation in which much of digital printmaking finds itself currently, I suspect. There are digital artists out there with loads of creative talent and a prodigious command

of the tools and the language of digital art, and they deserve to be successful. But right now, the market is fickle and immature where digital prints are concerned. Someone is going to have to do a lot of thankless groundwork before images created in the computer and printed out on inkjet printers are finally considered "normal" art that people take home and hang on the wall. Is that someone you? Do you have the personal and financial resources to keep turning out work that people may not buy in the foreseeable future? Or do you have a brilliant idea for breaking the spell? Do you have a list of technology companies which might be more receptive to art with a technological component? Good. Go for it!

**Implementing the Dream**

**The Financial Projections**

Now make some financial projections. Dial in your financial resources, your fixed costs, your expenses and offset all this against your projected income from sales. Are there other income streams besides sales: art classes, lectures, workshops, etc? So much the better. Try to stay roughly within the realm of reality. This sheet of financial projections is your guiding star. Try to make it happen. You can prepare these financials with a pencil and a calculator, but a better tool is a

spread-sheet program like MS Excel. West Coast publicity flacks would have us believe that the Dream Factory is Hollywood. But those of us who have ever written a business plan know that the real Dream Factory is Excel!

Am I boring you? Don't complain. I warned you it was about business. You don't like business, you're no good at it? That's no excuse, if you're ever going to leave your day job and become a working artist you're going to have to get good at it. It's like everything else; it can be learned. Just look at the payoff. If you're successful you'll be a working artist, one of the few people in this world who can proudly wear the T-shirt: "My day job is Art!"

### **Start Locally**

Most emerging artists' best bet is to start out working their local market. It's close at hand, you already know it to some extent (but not as well as you may think!) and it knows you. Let me guess what you're thinking: "Nobody in my neighborhood wants to buy any art. They want to drink beer and ride snowmobiles." (If you live on the Arabian peninsula, substitute "mint tea" and "camels" for "beer" and "snowmobiles; the principle is universal.) That's true as far as it goes, but it's incomplete. They also want other stuff. See to it that your artwork gets on their lists (and their wife's lists!) of priorities. You'd be surprised at how much sensitivity and receptiveness to art is lurking out there in unsuspected places from Omaha to Osaka.

Most of the artwork sold in this world is not bought by the rich at Sotheby's nor at chic galleries in New York and Paris. It's sold to normal folks locally-teachers, lawyers, real-estate agents, nurses and other plain folks. Many of them have acute artistic sensitivity; many of them would have loved to have been artists themselves. One only has to see how they react when they step into an artist's studio. You noticed? If you have a nice studio it's one of your principal business assets. We'll discuss that later.

### **Communicate, Communicate, Communicate**

I think one of the most important keys to success is communication. (If I didn't think so I wouldn't be sitting here writing this!) An emerging artist should be aware of the need to communicate effectively with his market. This means business cards, letterhead stationary, post cards, CDs, lists of e-mail addresses, news releases or phone calls (or even personal visits) to the local media. It also means a website, which is a tool of critical importance in reaching your local market. (Make sure your Web and e-mail addresses figure prominently on your business card, your stationery and all the rest of your promotional material!) Most of the people in your town do not come to your studio nor go to art galleries, but they do check their e-mail! If you can get them interested by mailing them an invitation or a newsletter, it's only a short hop over to your studio or the gallery where you're exhibiting. If you're a printmaker and don't want to be bothered putting up a website of your own, you can always offer your work for sale on World Printmakers (<http://www.worldprintmakers.com>), an established printmaking specialist site with a track record.

### **Dealing With the Media**

Don't be shy about approaching the media. They need you just as badly as you need them. They've got a lot of space (or time, if it's radio or television) to fill every day with news and features and they will appreciate your help. Give them something they can sink their teeth into, a "news hook" it's called. Make it easy for them by giving them text and photos already prepared. Journalists are as idle as the rest of us and will often publish a well-written story prepared by you rather than write their own.

Make your product-which is you, remember?-an experience. You're not the only artist who's inaugurating a show in your town next Friday, but you're the most ecological artist in town; you recycle your used solvents to water the roses! And you've spent the last three years running art workshops for kids in the inner city. Tell the reporter not what you taught the kids, but what you learned from them. Get the picture? Once you have established a working relationship with a reporter or editor, nurture it lovingly. Make yourself available for whenever he or she needs a quote from an artist or a bit of advice on artistic subjects. A gift of a sketch or a small print can do wonders in this connection.

The alternative to an ongoing campaign of relations with the media is paid advertising, but this is usually too expensive for most emerging artists. Besides, good PR is practically free and you meet a lot of nice people.

### **Networking Begins at Home!**

Nowhere is your campaign of good communications more important than at grass roots level: your family, your dentist, your children's teachers, your colleagues from work. This is networking, and it's going to be fundamental in getting your artistic career properly launched. There is no more powerful marketing opportunity in the world than a one-on-one conversation with a fellow human being. Be a little bit subtle in these contacts. Everybody knows *you* like art; find out if *she* likes art. In this increasingly what's-in-it-for-me world we live in, how refreshing it is to meet a sincere what's-in-it-for-you person!

In time you'll have a list of these contacts, most of them with e-mail addresses. This makes it convenient to keep in touch with them and, one day, to invite them round to your studio to see your latest work. And if you follow up your e-mail or snail-mail invitation with a friendly phone call, so much the better.

### **The Studio Show**

The studio show is one of the emerging artist's sweetest sales and promotion possibilities. Think about it. You control everything. There's no gallery nor agent in the middle, no commissions to pay. There's no two-year wait to get a gallery date. You set the date, you select the work, you hang it. You even decide upon the refreshments (keep them simple; people are not there to eat and drink!) It is you who are gracious enough to admit a privileged few people into the magical world of the artist. This is your chance to involve people in your art, to implicate them, educate them and enchant them. Make the most of it.

Not only that, the whole process takes place on your territory. You're confident and at home there. There is where it's done. Your clients can see it. They can smell it. And if they have any questions you're only too happy to answer them. They go away with fascinating and valuable first-hand knowledge of what an artist does and where and how he or she does it. They've always wondered about that. And now they've actually formed the beginnings of a friendship with an artist. What an interesting experience! What a privilege! And, of course, they have the opportunity to take a piece of original art home with them at a very special no-gallery-commission price. Truly, you will make their otherwise tedious and workaday lives complete.

If you don't have a proper studio yet, when it comes time for you to choose one, keep the studio show in mind. If you have to pay a little more rent for a larger, more attractive studio, you might consider doing so. You'll more than recover the cost with your studio shows.

### **Don't Forget to Work!**

My muse, who is a printmaker and a natural-born marketer, says: "Don't forget to remind them they have to work every day. 'Artist' is only the second half of 'Working Artist.' The first half is 'Working!'" Obviously, without a daily program of hard work-creation and production-no amount of promotional effort will make any difference. Picasso said, "I believe in inspiration, but I prefer it to catch me when I'm working!"

Does all this talk of work, promotion and communication make you tired? Do you sometimes feel lonesome, overwhelmed by the responsibilities of going it alone? Are there occasions when you wonder if your work is on the right track? Could you do with the support and feedback of other artists, people who are concerned and informed in matters of art? Maybe you should seek out some like-minded artists and join or form a small group. That way the promotion responsibilities can be divided up and the joys and sorrows can be shared. Although working in the context of a group may not be everybody's cup of tea, if you can make it work it can provide a comforting and valuable support system.

### **Persevere, and Don't Forget What's Ultimately in It for You**

One last recommendation: persevere. Perseverance pays such abundant rewards, so just keep on keepin' on. People are people. They're busy, just as you and I are. They're distracted and at times they're troubled. They won't always respond to your invitations. It's not that they're not interested in you and your work. It's just that the inauguration of your show coincided with the first big snow of the ski season, or the school play or an epidemic of flu... So keep trying. You're a creative person. Find ways of reminding them that you're their artist without being heavy handed. Surprise them with your invitations, press releases, newsletters and phone calls, entice them, enchant them. Remind them of the delight of discovery and the profound degree of original-art satisfaction that's in it for them. And never lose sight of what's ultimately in it for you, working artist!

### **About the Author:**

World Printmakers founder, Mike Booth, is an American expatriate journalist and editor resident in Granada, Spain. World Printmakers is a specialist website that showcases fine-art printmakers, both traditional and digital, from around the globe. It can be seen at: <http://www.worldprintmakers.com>.

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### ...Mystery Member

I attended High School at Columbus High School and graduated from I.U. School of Business in 1967. I was interested in photography as a hobby initially. I photographed my first wedding for personal reasons and the brides mother loved what she saw in my pictures and I made a profit. My wife assists me at larger weddings and shoots photo journalistic images. My hobbies include woodcarving. I am a retired volunteer fireman of 24 years—8 as Chief of Department. I saved three lives which made it all worthwhile. I have traveled nationally and internationally for a major diesel manufacture.

### ...IPPG Print Competition Results

Congratulation Angela Coddington who took top honors as IPPG First Time Entrant with the highest scoring print case and Scott Crosby for the highest scoring First Time Entry.

### ...MEMBER SHOWCASE

For November, if your last name begins with P, Q or R you are encouraged to bring examples of your photography.

### ...New Member Application

Michelle Hillenburg of Studio K Photography

### GUILDLINES

Jim Chagares, Editor  
438 West Main St.  
Richmond, IN 47374

## Reservation Card

Meeting Date: November 2, 2004 Meeting Location: Indianapolis Marriott  
**Reservation Deadline: October 27, 2004** Shadeland & 465  
Registration Fee: \$25 members/ \$30 non-members

Name	Meal Choice	Amount
1.	Grilled Chicken/Enchiladas/Veggie	
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Send your registration to: **Ed Stewart 2364 N. New Jersey St. Indianapolis, IN 46205** If you have made a reservation and cancel after the registration deadline, there will be no refunds. Likewise, if you make a phone reservation and then are unable to attend, you will be billed for the registration fee. We tell the hotel how many meals we will need, and the organization

**Registrations received after the deadline or registrations at the door are \$30.00 with NO guarantee of a meal. If served, meal will be potluck!  
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