

### A logical pricing model

I do (really) have a logical and consistent method for estimating and billing jobs that is derived from a creative fee plus expenses. The creative fee includes both the time involved and a factor for usage, or average usage. "Average" usage allows me to make purchasing agreements with individuals or companies that need fixed rates. Working with new customers, I always prepare careful estimates that spell out what's being purchased and how much it will cost. If you add shots or change the job specifications, I use the same logical method for adjusting the billing. The expenses on a job include the photographic and computer consumables, props, model and assistant's fees and travel expenses.

At the end of this document is a sample estimate for a job photographing an out-of-town building for a spread in a corporate capabilities brochure. The client, a local design shop, has specified that the three flags on poles in front of the building need to be clearly visible in the photo. Especially important is the name on the corporate flag. The chances of the wind intensity and direction being correct at the shoot are low, so I've included the cost of photographing the flags separately here in Santa Cruz and digitally compositing them in. The usage factor for the one time usage on this job is 1.5, which works out to \$1200. per day.

### Widespread and electronic use

It's expected that an ad agency assigning work that is used in consumer media or corporate collateral will buy the rights to specific usages. This is the most economical way to go. Why pay for more than you need? If other uses arise, new production costs and a reuse fee for the image can be added later. It's also expected that most company buyers of product photographs will want to buy a wide range of rights for non-specific uses in a contract with the photographer, especially for ongoing projects. I understand that images of a company's products are often made for the purpose of wide electronic distribution. This is a good thing for everyone. It is very difficult to control, much less track, the usage within an organization, especially with channel and international uses. Should you therefore need to contract for many uses, I can accommodate that based on how you have used similar photography in the past.

### Widgets are us

What about a design shop doing trade ads, mailers, catalogs and data sheets? I have several of these customers, with whom I've worked for many years, who also get a "straight" time and materials billing. They don't request estimates; they just bring the work in and I do what is required and write a bill. I like this friendly, casual way of doing business because I don't have to think about working to the estimated price. The time is calculated on an hourly rate incorporating a factor that fits the usage needs of the client. It's based on trust and the honor system. It's also very efficient. By contrast, an estimated job always includes a semi-worst-case scenario with allowance for some delays and the possibility of a reshoot.

### Terms

Terms for new customers are "COD" for the first job. Most companies then get "Net 30 days" terms. I may ask for an advance on jobs requiring me to spend substantially for equipment or travel. It may seem Pavlovian, but I like to be paid promptly. I pay my own vendors within 10 days because I know they will continue to give me preferential treatment.

### Sales taxes

The State of California, for sales tax purposes, considers photographers to be selling possession (not copyright) of physical pieces of film or files on physical media. Therefore sales tax needs to be charged, based on the county of delivery, to any individual or organization unless they are reselling the same physical item. Most designers and agencies I work with take this resale option by completing a form I provide. It simply requires them to sign and record their resale number. If the photographs are delivered on-line or via transfer from my media to yours at your location and no physical item is delivered to you, there is no sales tax obligation.



### Corporate details

The modern corporation may have additional requirements that independent contractors, like myself, need to fulfill. Usually in the form of a “consulting agreement”, that includes proof of status as an independent contractor and protections that the corporation deems important such as non-disclosure and limited liability. Items such as copyright ownership and exclusive unlimited use run contrary to accepted business practices for selling advertising art. I discourage these practices. Most often I require a purchase order to commence work on a job. I am not an active marketer of stock images and can therefore guarantee companies that images made for them showing their products will not be resold by me to other uses without their permission. However, I do reserve the right to reproduce samples of my work in portfolios, sales pieces and on my web site.

### Good Intentions

Finally, it's my goal to have the prices I charge fit the circumstances of usage of the photographs, but there is only so much I can do. It's really the customer's responsibility to design their communications in a way that matches the art budget to the overall cost of production and media. If you expect the art to cost 10 to 20 percent of this total cost, you are in the ballpark. My rates, and the methods I use to derive them are about as friendly and logical as you will find. They represent an excellent value in the marketplace.

I got into commercial photography about 25 years ago because I knew I could be an artist and craftsman deriving a good living from filling the needs of advertising. I've enjoyed building lasting relationships with clients as people, while helping them solve problems. I've resisted widespread promotion of my services because I would prefer to grow my business from personal referrals.

Some of my pricing policies are not exactly in line with the recommendations of the artist's organizations. I have never seen the logic, nor do I feel comfortable with some of the guidelines from those groups. If you think I'm misinformed about this please let me know, [bruce@bruceashleyphotography.com](mailto:bruce@bruceashleyphotography.com).

# Bruce Ashley Photography

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# Estimate

<b>Date In</b> 8/8/01	<b>Company Name</b> Sample Co.
<b>Date Due</b>	<b>Art Director</b>
<b>BAP Invoice #</b>	<b>Accts. Receivable</b>
<b>Client PO #</b>	<b>Proj. Coord.</b>
<b>Job #</b>	<b>Billing Address</b> Anywhere, USA
<b>Other #</b>	
<b>Terms</b> net 30	

**Name of Job** Corporate Brochure Spread  
**Items** 1 RGB File on CDR  
 1 InkJet Proof

<b>Estimate</b>	\$4731.40
<b>Tax</b>	\$0.00
<b>Total</b>	\$4731.40

Hrs.	Date	Description	Amount	No.	Date	Description	Amount
13		Travel and Packing, hr.	\$1950.00	4		Polaroid Film, color 8	\$95.00
2		Location Time, hr.	\$300.00	12		Color trans film, 120 roll	\$272.40
4		Studio Time, hr.	\$600.00	2		InkJet Proof	\$16.00
8		Assistants Time, hr.	\$420.00	2		CD-R Media	\$28.00
7		Computer Time, hrs	\$1050.00			Airfare and Meals provided	
		Includes Usage for Brochure Only					
<b>Time Total</b>			\$4320.00	<b>Materials Total</b>			\$411.40