Looking for a web designer - What you need to know

How much does it cost to develop a website? This article outlines some basic principles that will help guide you through decisions you will need to make in getting a website developed. The same principles just might guide you in building a stronger business!

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The purpose of this article is to provide a plain English explanation of the pricing factors involved in any website development project. In addition, this article outlines some basic principles that will help guide you through decisions you will need to make in getting a website developed.

> *"I wish I would have read this article twelve months ago... I would have avoided some massive frustration and saved thousands of dollars."*

This article covers:

    How Much Does it Cost to Develop a Website?
    Why Plan?
    The Three Circles of Truth
    Planning and Discovery
    The Three Pricing Factors
    Selecting a Web Designer / Developer

How Much Does it Cost to Develop a Website?

Answering this question is like trying to answer the question "How much does it cost to build a house?" Anyone that is familiar with the home building process knows that there are many factors that impact the price of a house. Some of them include the location and size of the property, the square footage and layout of the house, the exterior building materials, the interior building materials, the appliances, the interior

fixtures, and the landscaping. Ultimately, you have to clearly define the scope of what you want before you can get an accurate price.

The same concept is true for custom website projects. The primary difference is that…

- Most decision makers don't understand the factors that impact the price of a website, and
- Most web design firms don't understand the factors that impact the price of a website

Unfortunately, this truth leads to a "blind leading the blinder" scenario.

Because decision makers typically know less than the web design firms (or individual web designers) to whom they talk, they rarely recognize that they are being led off of a cliff until it's too late.

Fortunately most web design projects are simple, so the cliff is short, and the fall doesn't hurt that bad. However, if your website project is business critical (i.e. it's a tall cliff), you have to take your blinders off before you select a firm. You can remove the blinders through education, and this article will give you a great foundation from which to start.

Note: The "decision maker" is the person who is ultimately responsible for determining the high level scope of the project, the budget for spending, and the web designer that will do the work.

Why Plan?

website**pipeline**™ has been involved in the development of over 400 custom (software and database driven) website projects since 1999 ranging in price from hundreds of dollars to hundreds of thousands of dollars. We have seen many successes and failures, and our experiences have convinced us that poor planning is the primary reason projects have problems. Planning becomes more critical to the success of a website as

the size and complexity of the project increases. As a website development firm, two of our biggest challenges have been:

- Convincing clients to invest time in the planning process
- Disciplining ourselves to refuse taking projects until an adequate plan is established

Overcoming these challenges will only happen when all parties are convinced planning is worth the time and effort. To help explain the importance of planning, we developed a concept called "The Three Circles of Truth". These circles of truth exist for every technology project, including web design and development.

The Three Circles of Truth

- ***Circle #1 - What the web design firm thinks they are selling***
- ***Circle #2 - What the client thinks they are buying***
- ***Circle #3 - What actually gets built***

On a perfectly successful project, these three circles will overlap exactly (with no variances). In the real world, there are areas in each circle that do not overlap any of the other circles. These are called communication gaps.

In the practical world, communication gaps exist on every project. The size of the gap (and the importance of the portion of the scope that is in the gap), will determine whether or not the project was "an overall success" or a "bitter failure".

If the gap is large, there is a problem. The developer thinks they did their job, and wants more money to do additional work... the client thinks the job was not complete, and wants the balance of the work done at no charge. In these cases, all parties think they are losing. And they are all right... to a degree.

It is important to realize that it is extremely rare for web design firms to intentionally create communication gaps on projects they sell and execute. The reality is that the processes and methodologies they use to sell and build websites are flawed (or they have no formal processes and methodologies, which pretty much guarantees the project will have large gaps).

Note: If you are executing a business critical website project, and the designer or developer you are talking to doesn't have a formal, written process to sell and execute websites... you should find another firm to execute your project

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There are many things you can do to minimize the communication gaps. The following is a good start:

- Understand the Circles of Truth
- Clearly define the scope of the project (see Planning and Discovery below)
- Understand the pricing factors that need to be addressed on the scope (see the Three Pricing Factors below)
- Ensure the web designer you select understands the scope (see Selecting a Web Designer / Developer below)
- Ensure the web designer you select is capable of executing the scope (see Selecting a Web Designer / Developer below)

Note: If you are currently in the middle of a bad technology project (one that has a large communication gap), your best bet is to try to resolve the issues with your current developer. In order to do this, you have to very clearly define the gap. Defining the gap may involve spec sheets, punch lists, mockups, etc. Do anything within reason to provide absolute clarity. Once the gap is defined, try to work out a compromise to get it resolved. If the compromise involves you paying additional money, make sure you have a way to keep the vendor accountable for what they are doing. If you have tried repeatedly to resolve the gap, and you feel there is no way to make it work, feel free to contact us to discuss an alternate resolution. We have rescued many companies from these unfortunate situations.

Planning and Discovery

Now that you understand the Circles of Truth, it time to start developing a clearly defined scope of work for your website project. website**pipeline**™ has developed a formal, structured process to help you define a

"business driven" scope for your website. We call this process "Planning and Discovery". The following outlines the basic steps of this process.
Notes:

- *This process works for websites of any size and complexity.*
- *This process works for all sized companies.*
- *This process works for companies with single or multiple decision makers.*
- *Because business models and priorities change, this is an ongoing process that should be revisited / done at least once per year. For new websites, the result of this process will dictate the scope of your website. For existing websites, the result of this process will dictate the scope of your redesign efforts. The redesign typically involves some reorganization of your navigation, a redesign of your home page, some new content that needs to be generated, and in some cases new functionality.*
- *For companies or organizations that have many stakeholders / decisions makers, we suggest that one person take the lead on getting the process done. It typically works best if the lead person puts together a list of everything they think applies to Step #1 and then circulate it to the other stakeholders. These stakeholders then make additions and modifications as needed until the step is complete. Then the lead goes to the next step and repeats the cycle.*

The following are the steps you need to go through:

Step 1 - Define your target audiences
List all of your target audiences for the website (i.e. potential customers, existing customers, existing reseller, potential reseller, existing investors, potential investors, existing employees, potential employees, press, existing vendors, potential vendors, etc).

Step 2 - Rank the target audiences
Rank / prioritize the target from 1 to X. The number 1 ranking should be the most important audience you need to address with your website.

Step 3 - List your goals for each target audience
Starting with your number 1 priority - list the goals you have related to the website for each specific target audience (i.e. "Resellers need to be able to complete a quote", "Resellers need to be able to place an order", "The press needs to be able to see press releases and download a media kit",

"Vendors product and inventory data needs to flow into the website easily", "Orders need to be automatically fed to vendors", etc). The goals should be centered around what actions you want your target audiences to take on the website or as a result of the website. Note: List these goals under each target audience. A general statement will work fine (like "Franchisees need to be able to complete a quote") - we can nail down the specifics of how they will complete the quote, what options they need to have, and what the quote format will look like later.

Step 4 - Prioritize/flag the goals in two ways.
First by Importance - use an A, B, or C.

- A = Must get done
- B = Should get done
- C = Get done if it's easy / doesn't bump other more important items

Next by Urgency

- 6 = Needs to be done within 6 months
- 12 = Needs to be done within 12 months
- 24 = Needs to be done within 24 months
- NI = Not urgent

When you are done with the above steps, you should be able to look at the overall results and say... "if we don't get anything else right, we have to do these X things".

Moving Forward
Once these steps are complete, you will work with your designer or developer to turn your list of goals into a prioritized / phased list of functionality needs. For the purposes of evaluating your potential return on investment (ROI), the developer should help you…

- Translate your goals into the software modules needed to make your goals possible
- Provide a price for each module
- Provide an estimate on the internal resources you will need to generate and manage the data associated with the module

Before you contact your developer, you should gain a basic understanding of the Three Pricing Factors outlined below.

The Three Pricing Factors

This section presents the three general categories of pricing factors involved in a website project. It is likely that your designer or developer has never looked at website estimates using this type of breakdown. This is because most designers and developers do not understand the business side of the technical services they offer. Regardless, you should force the estimate into this type of framework. This will help prevent a huge range of possible communication gaps.

Note: This section covers the price factors for the initial development (and possible future upgrades) of the website. It does not address ongoing website hosting, technical support, and online marketing.

The three factors are as follows:

- **Design** - You can address this portion of your scope by answering the question "What is your website going to look like?" The website design includes the overall graphical look and feel of your website. For most websites, this includes the home page layout/design, the interior page template layout / design (typically there is only one, but if there are more.. this needs to be addressed), and the navigation structure and design. Note: Things like interactive Flash presentations and body graphics (i.e. a graphical diagram) are typically confused with being part of the design. In reality, they are part of the Content (see below).
- **Functionality** - You can address this portion of your scope by answering the question "What is your website going to do?". The functionality on your website should all be geared towards helping you accomplish your goals with your target audiences. Functionality can be split into many general categories including content management, ecommerce shopping carts / product catalogs, directories / location finders, navigation management, marketing tools, third party software integration tools, etc. For business critical websites, this will probably represent the majority of your price. It also represents the highest area of risk for communication gaps.

  Note: For most website projects, we recommend that clients look for existing software modules to accomplish their website functionality needs. Building software applications from scratch

is very costly and typically involves making huge sacrifices in the capabilities and stability of the software. In short, you will either pay to get functionality developed correctly, or suffer the consequences if it is done poorly. If your developer does not have a formal written process to develop, test, publish, and version software functionality you should find another developer.

- **Content** - You can address this portion of your scope by answering the question "What is your website going to say?". Content includes marketing copy (i.e. for your home page, about us page, etc), press releases, product data and images, pictures, presentation, documents / files, etc. There are two content related questions that need to be answered within the scope of your project:

  Initial preparation - Who is responsible for the initial preparation / creation of the content?

  o Ongoing maintenance - How will content updates (add, edits, removes) be made, and who will make them?

  o *Note: For most website projects, we recommend that the client be responsible for the initial preparation of the content. We also recommend that the client have complete and total control over all of the content displayed in the website through a non-technical, web-based control panel. Reliance on technical staff (in-house or third party vendors) to make timely and accurate content updates is inefficient and frustrating. A web-based control panel can eliminate this problem.*

Selecting a Web Designer / Developer

Now that you understand the Circles of Truth, you have been through Planning and Discovery, and you understand the Three Pricing Factors associated with a website project, it is time to pick a website vendor. This section includes clarification on some of the terms used to describe people or companies that do website design and development projects. In addition, it provides a few guidelines to help you find the right company to develop your website.

Terms used to describe people or companies that build websites

- Web Design / Web Designers - Individuals or companies who execute the design (and sometimes the content) portion of the website scope. Also called website design, website designer, web page design, web page designer, web master, webmaster.

- Web Development / Web Developers - Individuals or companies who execute the functionality portion of the website scope. Also called website development, website developers, website programmer, website coder.

The "right" company should

- Have a formal, written process to sell and build websites.
- Have a formal, written process to develop, test, publish, and version software functionality for the website
- Be able to demonstrate (on a live website - not one they are "working on") functionality this is exactly like or similar to what you need
- Be able to show you how easily they can add functionality to a website by giving a live demonstration
- Be able to demonstrate the web-based control panel you can use to manage your website content
- Be willing to provide several client references
- Have a plain English, published, <u>fixed rate</u> pricing model

Note: Companies that use hourly rates to quote "estimated" prices for a website project should be avoided at all costs. This is the fastest way to get into back-end charges that could easily double the price of the website (this does not include additional charges associated with changing the scope). Their quotes will be worded something like "price is $5,000 = 50 hours at $100 per hour". Obviously many firms will debate this point, but in our opinion, hourly rates are wrong for many reasons.

Here are a few of the big ones:
- *Hourly rates reward poor performance (slow, non productive work is rewarded by higher billings)*
- *Hourly rates typically undermine the planning process (no need for a clear plan when the client takes all of the risk)*
- *Hourly rates cause the client to finance all communication gaps in the project*

This is a bold statement, but it is true. Hourly rates are only needed if a) there is an inadequate plan / scope, and/or b) the web design firm doesn't understand the web design business well enough to quote fixed prices.

Conclusion

Now that you understand:

- The importance of planning,
- The importance of communication,
- The factors affecting website costs, and
- How to select a web designer / developer

you are ready to have a successful website project; one that integrates into your business and contributes to your profitability. We at website**pipeline**™ would love to have your business and bring our website solution to your project.

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