

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape



Full Episode Transcript

With Your Host

Tobi Fairley

[The Design You Podcast](#) with Tobi Fairley

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

You are listening to the *Design You* podcast with Tobi Fairley, episode number 183.

Welcome to the *Design You* podcast. A show where interior designers and creatives learn to say no to busy and say yes to more health, wealth and joy, here's your host, Tobi Fairley.

Well, hello my friends and hello especially, interior designers listening because I know you always love it when I bring you an interview with another designer out there. It's always so fun to hear how people work and how they think.

And today's episode I think you'll find super exciting. It's with Lori Paranjape, and she is a Mrs. Paranjape. You probably know her, if you don't, go follow her on Instagram. She is incredible. She's beautiful work, she has high profile and celebrity clients based where she's based in Nashville but also all over the place. She works with celebrity singers, and I think I saw her maybe work with one of the Bachelorette contestants before, and some other athletes possibly. And she's always up to a lot of really fun things.

So today she and I get into a serious conversation about the mistakes designers mostly make in their business, some of the biggies. And she really gives a lot of insight into how she runs her business which I found so fascinating and a lot of things we think alike about. But she does some really, really cool things that I wish I had thought of. So, get ready, here's a fabulous episode with Lori Paranjape.

Tobi: Hey Lori, welcome to the Design You podcast. This is going to be a really exciting episode, so welcome.

Lori: Thank you. Thank you so much for inviting me. I'm excited to do this with you.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Tobi: It's so fun. So, we don't know each other super well. We just kind of know of each other, we communicate sometimes in DMs like we're friends, which is funny. But I'm so glad you're here because I think we both probably have admired each other from afar and appreciate the work each other does. So, I love to get to talk to you about it today. So, before we even get into the juicy stuff you're going to talk about, which is a lot of mistakes designers make. Why don't you first start by telling us a little bit about you.

And then I'd love to hear a little bit about your business and the business structure. So, let's kind of talk about both of those things. So, kind of give us the details.

Lori: Yeah. So, I'm a designer based in Nashville. We have very few projects in Nashville. We work all over the country, which is fun, got my start by picking paint colors for people for \$35 an hour. And when I got two hours in a row and I brought home a \$70 check I thought that I had just hit the big time. And just worked my way up and learned business and came to this as a second career.

So had a lot of catching up to do and learning from other talented people and other smart businesspeople and learning both sides of it at the same time, how to be an entrepreneur and how to be a good designer. And so, both of those things take time. Instagram really changed my business. And when my following really started and the projects and the offerings that I was getting were really exciting, and new, and different. And so that kind of sped things up for me in my learning curve.

And now we get to do just the most spectacular things ever. And we are typically new construction or very large renovations and full home furnishings. So, we like to deliver services is what we do.

Tobi: And you learned decorating and design on the job basically. You learned it as you went. You don't have a formal design degree or anything.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

I love that so much. I do have all the degrees. I collect degrees. But I love that you don't because I feel like I spend all my time with the people I coach telling them why that doesn't matter if they're willing to do the work to learn how to run the business. You've got to learn. You've got to learn how to design and you're going to do that from mistakes. But everybody that comes to me and they're like, "Well, I don't have a degree."

They kind of wear a little bit of shame and feel like they're less than. And I'm like, "How much time do you have? Would you like me to list all my designer besties that are probably some of the icons you follow that do not have design degrees?"

Lori: Yeah, no design degree for me. And everyone who works for me has a degree in design. But I say it all the time. I feel like design is a muscle. And it's something you develop over time. My eyes in the beginning didn't see, didn't see where it was. They could not find why it was beautiful, or why it didn't work, or what needed to be adjusted. And now I feel like it's super muscular and so much easier for me to see the whole picture and see all of the elements. And see what's necessary to bring it in to pull the project together.

And I think that's time. I think there is a level of taste that you begin with. And then you begin to do the work.

Tobi: Yeah, and even taste can be developed to a degree. I mean some people want to think you're born with it. But some people are born with maybe an eye for color or a scale or something. But you can absolutely develop your taste level, don't you think?

Lori: I agree, I mean I can show you my early work.

Tobi: Me too. Me too.

Lori: And we can then talk about that, and so it's proof.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Tobi: Yeah, well, and that's the funny thing. Yeah, and the thing is and I tell people all the time. I love that I have my design degree. But that was really like learning architecture basically and constructions, how to do a wall diagram and an electrical plan, not how to match colors and how to decorate. And so even that part is always an on the job kind of experience I think, like any type of degree. Most of the time you're not learning the things you're going to use day in and day out in your life and your career. So, it's really interesting.

Okay, so tell us a little bit about the structure of your teams. Because I know that you have a little bit larger or maybe a lot larger team than a lot of people. And so, there's a couple of reasons I want you to talk about this. One, so people can understand what the possibilities are. And two, so people can understand when they're feeling kind of inadequate comparing themselves to you, that you're not a one or two person show. You have a whole large team helping you do all of these projects and the things that you're doing, right?

Lori: Yeah. We really do and it's a system that developed from me working initially with – her name's Mitzi Maynard, she's a very talented designer here in Nashville. And she has a furnishings boutique called Redo. And so, I started working beside her, not for her but beside her. And she would give me leads and that came in through the store. And I began to work and grow my business. Well, the way that we evolved was that she became my buying source. And I became a buyer for her. So, we go to markets together.

And I'm like, "I saw this beautiful line, let's go look at them. I think I want to use them on my project in New York." And then her firm opens that account. When our orders come through they manage those orders. So, my team, we run much larger than we are. So, we're a team of four under the Mrs. Paranjape umbrella. And then there's Redo that handles all of my invoicing, procurement, opening accounts, managing accounts, tracking

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

orders, warehousing, delivering, damages, all of those things. So, we are lean because of that partnership.

Tobi: Yeah. That's kind of like the dream job for most people because there's so many headaches with procurement and so much cash needed for opening accounts and buying products and all of that stuff. And so that's really fascinating to know that you...

Lori: So, we're a co-op.

Tobi: You outsource, everything after here is the presentation until you install, you manage with construction but on the buying side is outsourced.

Lori: That's correct.

Tobi: And you're the customer kind of in that situation, right?

Lori: That's exactly right. So, we create spreadsheets and with the links, this is what we want, this is the leg finish, this is the fabric, this is the whatever. And once we've assembled that we send it over to be invoiced. And we let our clients know, "Your invoice is headed your way." And the client approves it, pays it. And then everything else is managed.

Tobi: Amazing, okay, perfect. And when I asked you, when we were chatting before I said, I called it verticals, a designer with a junior or a team of people. And you said you have three different teams that can take on projects at any time of your people.

Lori: It's really two.

Tobi: Two. Two, okay, two.

Lori: So, I have a design director and I have two designers.

Tobi: Got you, okay.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Lori: So, a designer per, for every product, so they share the load half and half. And then so we typically approach it as a team of three. So, me, design director, and the designer and then the designer.

Tobi: Perfect, okay. And then what is your role? How do you show up in your company now? Because we're going to talk in a minute about how you used to show up. And we were both laughing about how we both...

Lori: So different.

Tobi: We both did this. But what's your role now?

Lori: My role now is almost all client facing interface is me. There is some management of the projects that comes directly from the designer. So, for instance they might say, "Hey, Tobi, our drapery installer is set to be to the house on Tuesday at 10:00am, I'll be meeting him there. We don't need anything from you except to make sure the door's unlocked." So those communications are part of what our design team does because they're moving the project forward once it's been approved, they advance.

So, my role is marketing. My role is management. My role is top level design.

Tobi: Like vision, design visionary kind of?

Lori: Yeah. I think when we were in the bedroom and they were talking about this, I think he's going to need it to be more of an oasis, we need blackout and everything in there should be soft and maybe one color. And let's just do all texture. And remember that bed we saw at Verellen. Let's use that beautiful bed in there. And I think let's just go white linen on the drapes. And so, it's top level. And then the designers then go in, in AutoCAD and do furnishing layouts and initial selections and then we meet.

And then I look through all of that and say, "I love that. You couldn't possibly know this but I despise that chair. Let's use this chair instead. Or

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

can you show me three more chairs?” And we move through the process like that all the way down through the minutiae.

Tobi: So good. And what I see a lot of designers afraid to do is what you just said, is letting other people do the initial selections. And then not getting frustrated and losing faith in them when they don't like everything. Because I hear people say, “Well, I could never let go of all of that. And every time I've tried I've hated everything.” And I'm like, “Well, first of all, how much information did you give them to choose from? Did you set them up for success?” And did you just, when you didn't like something, like you say, “I don't like this and here's why, could you bring me something more like this?”

Because it doesn't take that long really for a team to get in sync with you, which then is almost like cloning yourself because if you had to make every decision there's no way you could run the number of projects that you all run, right?

Lori: No, no way. And I do try to very quickly teach right then. You don't know this. I never like a x based blah, blah, blah. So now they know. So, they put that into the final. So guess what we're never going to see again, because I'm never going to see that again. Or I might say, “Typically I love those but on this project I feel it needs to be much more x, y, z.” So, I'm giving them the information so they can learn how it goes.

And it does start to move more smoothly and they do get better at predicting. We are asking them to show me things that they think I like. As opposed to things that they like, that at some point begins to meld together and become one selection method, which is that they're selecting things that they know I will love.

Tobi: Yeah, that's just so amazing. And I love, it's so funny too, that since you didn't come from – I don't know – either a formal business or a design background, I love your confidence in that you already get this concept of I

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

can't wear all the hats, I can't be in the weeds. But you said earlier, I mean it wasn't always this apparent to you. It did evolve over time. But I love that it evolved at all because so many, I mean I work with tons of people. And I'm sure you have tons of friends that have been in the business for years and they're still not trusting other people on their team.

They're still doing what I call, instead of CEOing, they're still the chief employee instead of the CEO. And so, let's start getting into what we really want to talk about today which is the mistakes that you see designers make. And this doesn't mean they picked the wrong paint color, or the sofa's too small, or the rug's too small. These are really the business side of the business. So, start anywhere you want to and let's start to talk about even your evolution in comparison to what you still see happening around you with your peers, with friends, with up and coming designers.

Lori: Well, and I mean I think we learn, unfortunately at least that's my method is I typically tend to learn from the pain.

Tobi: Yeah, totally, we don't learn anything when anything goes smoothly.

Lori: That's right.

Tobi: It's so funny to me when people are trying to avoid failure. I'm like, "Well, you're going to just stay the same for the rest of your life because [inaudible] miserably uncomfortable you will not grow."

Lori: That's right. So that has been my approach since the beginning, which is okay, that was awful, he called and yelled at us. And we said we could do it for this much and we talked to that person. And then he thought we were still spending that much and didn't talk to that person. And now he's on the phone yelling and screaming at us. And so instead of us saying, "God, that was awful. He is a jerk." What we chose to say, what I chose to say was, "What am I learning from this? What is this trying to teach me?"

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

And those early lessons that were so painful and so miserable. And I thought my career was over time and time again was really...

Tobi: Or you kind of even wanted it to be over a couple of times. You're like, "I'm not sure I can do this anymore."

Lori: I can't stomach it. And I'd have a whole bad weekend because we'd have a bad interaction on a Friday or I'd get an angry text on a Saturday and what am I doing? To me, the examination is everything. So, let's look back. I'm going to own these things. I never should have had a financial conversation with the person who was not making the decisions. I never should have assumed that it was going to be so beautiful in the end he'd be happy to write a check for the [inaudible].

I never should have, there's all those things. I had to go pull through all of those mistakes I was making and say, "What am I meant to learn from this?" And then put it into my toolkit.

Tobi: It's so good. One of the things I want to stop on for just a second that you said that I think is so important before you move on is this idea of not just blaming him. Because I mean that's true in life, it's true when you're raising your kids and everything. But I think you're so right, that when we blame another person and really vilify them, they're just a horrible jerk, it absolves us from the responsibility of the part that we could have done because nobody – it's never all one person.

They may have overacted or they could have been kinder to us, or they didn't have to be condescending. But we did, we did fill in the blank, we did, we were late and it was more expensive than we said. And we did get the color wrong. And we did have to send it back and all the things.

And I think you're so right, that was one of the things that I did early on is really work to separate the two things which you have to be a super emotional adult I think. And working on yourself to be able to stand in that space and separate his emotions or her emotions from the facts of what

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

actually we could have done better or we really messed up, and not to beat ourselves up. But where do we go from here? How does this not happen again, right?

Lori: Well, that interaction is the one interaction that happened, it's awful and you went through it. So, we have a choice now. The choice is not I'll never work with a jerky client again. Because that removes the possibility that I was a contributor to how really this went. So, if I say, "Okay, I'm going to go into another relationship, not with that person, but I'm going to go into another relationship, what can I learn from this one that I can use on the next one?" It's a life unexamined. If we're not really delving into it then we're not growing and we're not learning from it.

What made me think of it when you were just saying that. One of the things I hear so often from young designers or even DMs or comments and I think I wish I had clients with bigger budgets.

Tobi: All the time, everybody asks me where those people are? I'm like, "There is no mythical island of rich people that you just haven't gotten the map to."

Lori: That's right. And you know where they come from is from me getting yelled at 12 years ago. And me going through all of that process. And learning, and doing, and practicing, the practice of design and the practice of business in order to get better. It's not these amazing trusting clients that I have the luxury of having now. They were not calling me 12 years ago and I just wasn't calling them back. They didn't come to me until I was ready. They didn't want me until I had figured these things out.

So, the answer is unsatisfying to that question which is you've got to put the work in sis. You're going to make those mistakes now with what you think is a low budget because I think that's just a terrible philosophy. So, somebody comes to you with a \$3,000 budget to redo their living room, first of all manage their expectations. And second of all, do the best you

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

possibly can do. Third, take photos of it. Let's move forward. And then if there's something that goes wrong, learn, what is it?

Did you not tell them that \$3,000 was not going to buy them new living room furniture and make it look like a page out of a magazine? Because that's on you. That's your conversation.

Tobi: 100%.

Lori: And when they say, "Here's my budget." You say, "Okay, I can do amazing things with that budget but let me give you an idea of what we can accomplish with that budget." And if I don't do that...

Tobi: You're even nicer than me at that, that's more nuanced than even what I say. But I love that you definitely tell the truth, yeah.

Lori: Well, I mean avoiding the truth is just delaying the anger. We're not avoiding anything. We're just delaying it.

Tobi: I know, yeah, but don't you think many, many people do that anyway? Because like you said earlier, they're assuming that there's another part of the story that the client's not saying. They're like, "Well, surely they know that we can't do these three rooms on \$30,000. Or surely they're just trying to keep us from overspending."

And I learned a long time ago that whatever that rest of your sentence is that is in your brain has to come out of your mouth in a way to say, "Now, let me be clear here. Are you saying you literally only have this amount for these spaces. Because the images you showed me of my work, we're not going to get there. We're going to get half of one of those rooms."

Lori: Okay, so those words came out of my mouth last week. So, client comes on the phone out of town, amazing project. And this is what we want to do. And I said what you said, "If you have come to me via Instagram, which so happy you're joining me there and so happy you love what you

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

see. I need you to understand that you're looking at a seven figure budget for those furnishings, which I am thrilled to help you with. If that is not your budget you will not have that result. Can we get you beautiful things? Yes we can.

Will we help you tastefully begin to collect a completed home? Yes we can. Can we deliver what we did for them without that same budget? We absolutely cannot. And we can't enter into this relationship with an expectation that I'm going to deliver you something that I am never going to deliver."

Tobi: So good, so good.

Lori: My only desire is to blow your mind at the end. So, if I can dazzle you now and get you, which is the beginning, that's the mistake. Okay, let's put that – let's give the listeners a takeaway. The mistake is allowing them to think you can do something that you cannot. And allowing them to leave if they don't want what you can deliver.

Tobi: 100%, meaning as people don't like this term, but repelling in a sense, the people who aren't a fit because they want a seven figure look on a six figure budget and you're not a magician, it can't happen.

Lori: Well, I mean some people who have said that my approach is an anti-sell in my first conversation with a potential client. It's an anti-sell. How much is it? I'm like it's a fucking fortune. I don't know if I'm allowed to curse.

Tobi: Yeah, exactly.

Lori: How much does it cost? Tons. How long does it take? Forever.

Tobi: Forever, I agree.

Lori: It takes forever.

Tobi: I know.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Lori: But it'll be easy. I'm like, "I don't know if it'll be easy."

Tobi: I tell people, kind of like your anti-sell, I love that term because I jokingly but I mean I don't jokingly, I laughingly while serious tell so many people that I help with this part of their business, I basically do everything I can to run them off in the first call. And if they still stick then I'll have the next conversation. And we'll get down to brass tacks. But right off the bat we're talking money, we're talking time on the initial phone call. I don't want to waste anybody's time. I don't want to do be doing what I – I'm not calling other people liars.

But for me it feels like a lie when I'm insinuating or allowing them to believe one thing and I'm not speaking up. Maybe that's the Enneagram 8 in me that has to tell the truth. But I'm just like, "Wait, stop right there, because I can't."

Lori: Well, that's the delayed in trouble. That's just delaying getting in trouble. So, congratulations, you got the job. It's going to fail.

Tobi: Right. It can fail now and they can walk away and you all don't hate each other and you're not miserable. Or it can fail in a few months and it will be an absolute drama filled disaster and you will all be miserable.

Lori: It will ruin your weekend. You will never get a referral from them. They will think that you are talentless and a cheat. All of those bad things will happen. You can either let them walk now if you're not a good fit. But I do think, that's not to say again, it's not about having the big budget, it's about saying, "Okay, so you have \$30,000. You want to do the whole first floor of your house. I'm here to tell you that we cannot accomplish what the goals you're setting in front of us, we cannot accomplish that for \$30,000. Here's what we can do for 30,000." And then I lay that out.

Tobi: And I love what you just said, the clarification that it's not about a big budget because I think the mistake that the young designers or even if they're not young or have been in business for a while. But the ones that

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

want bigger budgets like you said, I think they think the amount of money will solve the problem. But the problem is not the total amount of money. It's the gap between whatever the money is and what they're looking at, that's still three times as expensive.

So, it doesn't matter if it's 5,000 or 500,000 it's the gap between what they think they can get and what they can actually get. It's not the bigger budget.

Lori: It's not the bigger budget, it's still the game. I call it game. Not like a trick, more like I have to have my game together when I take that first phone call. And I have to be on. I have to tell them everything. I have to give them all the pitfalls, all the hairy scary numbers. I have to do all of that in the beginning so they fully, fully understand what it is that we are capable of doing. And I want a yes that's really a yes. Yes, that design fee is in line with what I expect that you will do for us. Yes, we are prepared to spend that amount of money to accomplish x, y and z.

Yes, I understand there is also extra that we will have to pay in the form of a warehouse, in the form of delivery, in the form of an art installer, in the form of a window treatment installer, in the form of the wallpaper installation. All of those things that in the beginning I tried to hide because I was afraid they would walk.

Tobi: Yes, don't we always try to?

Lori: I was afraid they would say no.

Tobi: How can we bury this extra cost in something and hope they don't notice. It's all what we used to do.

Lori: They would notice.

Tobi: Yeah, or they're just like, "This is way more expensive than someone else. I'd rather get the cheaper sofa." And then you're like, "Crap, that's

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

where my thing was hidden in there, my margin was covering the installer.” Because I didn’t want to have to be hanging the art, instead of just saying.

Lori: And it’s awful. It’s awful. It’s awful. And so, okay, so you want to spend \$300,000, great. You’re going to have to spend this much money on me for me and my team to commit. You become my client. You’re on my calendar. We have blocked a space. You exist, you can tell God and everybody that you’re working with Mrs. Paranjape and team. But there is also this. And sometimes it’s 20%. I can’t hide it. You cannot hide it. It’s real, it’s there.

Tobi: It is for me too and that’s exactly how. And when I hear designers thinking, again, that they just want a bigger budget or if I get better clients that I won’t be having to do all of this schlumping and all of this stuff. That can happen at any point if you shift your mindset. It’s just you deciding I’m no longer throwing all the crap in the back of my SUV and driving it over there. I’m actually having the moving company pick it up and install it professionally in a way that it doesn’t get damaged. And I’m not worn out when I get to the job site, yeah.

Lori: And if I told them that that cost was there, which is a very – that makes complete sense to people when you say it. Of course, it’s there. Now if your budget’s 300 and you want that in the 300 then let’s talk about that often and early. Let’s make sure that that’s accounted for so it’s there. I think there’s just so much in the mistakes that I made that I think about every time I talk to someone new to make sure that I am explaining things in a way that they understand. I’m the expert. They need me to tell them that there is a warehouse fee.

They don’t know that. I know that. They need me to tell them that there is a job in this world called art installer. They don’t know that. Of course, they don’t know that. Some of them do. But some people don’t know that. I’m the expert. I’m filling in all of the questions that they don’t even know to ask. I tell them.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Tobi: And you can be unapologetic about it because it's not you taking advantage, it's just you telling them the truth about what is involved to get you from no furnishings, no home to a finished home. It'd be the same thing as if you were like, "We're going to need lumbar. We're going to need some windows."

Lori: Right. Forgot to mention that you've got to pay the guy to put the plumbing in. Of course, you do. Of course, you do. But me telling them that is part of me building trust with them also, that I'm going to be upfront about how all of this is going to go. Now, with experience I get better at understanding what those numbers might look like. And I know in the beginning that designers don't have those numbers just stored up in their minds about what that might cost. But again, this is a process of learning.

But every time you make the mistake and every time you avoid telling them a cost. Or every time there's an unexpected invoice, don't just hit send and close your eyes and cross your fingers, tell yourself, I'll never do this again. I should have told them that eight months ago.

Tobi: 100%, yeah.

Lori: Don't make this about them, make yourself better because you feel those things. And I think we talked about it briefly, I'm sitting in this beautiful office in my client's home. I've stepped away to come hang out with Tobi for a little while. We're doing an installation and one of the biggest mistakes that I made as a young designer was throwing the ottoman in my car because the ottoman arrived first. And I'm like, "Your ottoman came, I'm going to bring you your ottoman and we're going to start getting your furnishings."

And I would drive over with the ottoman in the back of my SUV and sit it into a completely empty room and put the ottoman in the room. And then the clients would say...

Tobi: Worst idea ever, right?

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Lori: The clients then follow that up with, “Huh, I didn’t know it’d be so small. Is it small? It looks a little blue. I mean we wanted it to be blue.” And I’m like, “Oh shit.” Okay, so if I bring them one thing and they get to examine that one object under a microscope with no context into what’s going to eventually develop then I have set myself up yet again to fail. So even if your budget is small I cannot emphasize this enough, do not deliver until you have everything.

Until you can demonstrate what you intended fully and completely don’t let it go into the house. Because without context and understanding what it looks like with the rug, and the pillows, and the cocktail table books and the lamps on, side tables, draperies are hung, wallpaper is in, chandeliers up. All of those things and now no one’s asking me if the ottoman seems small or is that short.

Tobi: Yeah. It’s so funny that we learned the exact same lessons, none of which I learned in school by the way. But you and I have very similar philosophies. And I 100% agree. And the interesting thing, and I knew this already but it’s evident to me again when you’re talking. A lot of the reasons we do what we do is not just for the client, it’s to keep ourselves from having to deal with additional problems that were absolutely avoidable, like having to justify pricing. Or having to reconvince them that the ottoman’s the right ottoman.

Those conversations don’t even have to be had ever if you run your business the way you’re talking about running your business. If you have the money conversations at the front end, you don’t have to have them later. If you don’t ever drop the ottoman off by itself you don’t have to reconvince them why they should love it. And it’s funny because sometimes you can’t. Sometimes even though it would have been perfect, if they have already decided it’s just not quite right, they’ll never be happy with it. And that was a completely avoidable situation that never had to happen, right?

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Lori: Absolutely. I know that the doubt they had seeped into doubt for me as well. And then I'm like, "Well, maybe we can put it in the boutique and we can sell it there. And maybe I'm horrible. Maybe it is blue. Maybe it's kind of blue." All of those things. Again, would have been avoided if we show them what it looks like finished. Then we're never going to discuss the ottoman. Now, that's not to say I won't make a mistake by the way, that's not to say that I won't bring something for a room that I just decide when it's in the room it needs to pivot.

Tobi: Yes, exactly. I agree. Yeah, but I think what you're talking about mostly is what you said earlier, you can have kind of trouble now or trouble later, argument now or argument later. I think everything that you're talking about so far, the problems you see people making are the choice, try to avoid discomfort on the front end and we try to avoid it. And in that instance you're just tired of telling them, "No, we can't do it yet." You're tired of them saying, "Is there still nothing ready? We just want it so bad." And so, it's a people pleasing type of behavior.

And people pleasing is never really ultimately people pleasing. But it's like this desire to delay your discomfort that keeps catching up with you over and over again in all these instances.

Lori: Absolutely. And in the beginning you're just so grateful to have someone calling and asking for your help and asking for you to work with them. And how could you possibly know these things in the beginning, how could you possibly? So, it's not about you're only a good designer if you know these things when you're born. It's much more about examining every step of the way to get stronger.

Tobi: But if you keep practicing it, even after it's biting you in the rear because you're just still people pleasing too much then you definitely want to stop and examine how much suffering you're creating for yourself and your team and everybody involved. Okay, so before we wrap up, any other

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

big, big – so we’ve kind of talked the money thing. We could talk about money for a whole episode.

Lori: Yes, we could, right.

Tobi: So, there’s all the money stuff which you can address some others if you want. But we’ve kind of talked about two big ones, be completely honest about the costs and the money and the fees, and what it takes to get here before you sign on the dotted line. And then really understand about the installation. Are there any other huge ones that stick out in your mind?

Lori: Well, I think people talk a lot about don’t negotiate your fees. And I think for me now that is a much easier conversation today than it was in the beginning. And I think what the advice is in the overall about don’t negotiate your fees is that you’re creating an environment that everything becomes negotiable, which I do think that that is negative. But I think my feeling is when someone calls is I say, “Here’s the number. This is my design fee for a scope like what you’re suggesting. And where you are and the time it’s going to take. Here is what my number is.”

There is not an opportunity during those conversations for someone to say, “That number’s too high.” It might be too high. And I may never hear from them again which is perfectly reasonable. We lose 95% of our inquiries by the time I deliver the information about the financials, which is totally fine.

Tobi: Me too, yes, me too, yeah.

Lori: We get a lot of inquiries. We lose almost all of them which I think is a decent ratio, I’m totally fine with that.

Tobi: Right. No, I think that’s perfectly normal for a luxury product. And I say the same thing. I’m like, “Is it nine out of 10? Is it 19 out of 20?” But for me same thing, it’s almost all or a no, almost all or a no. Yes.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Lori: But let me tell you something, the yeses are pure full informed yeses. And when they are on that roster it's a beautiful thing when they have all the information, they have chosen to say yes and they understand what this process is going to look like. And those yeses, there's nothing that feels like that yes, it's a true informed yes.

Tobi: I agree. Is there anything that helped you get comfortable with the – I guess it's really rejection? That's what most people I see taking jobs that they know are not a fit, taking budgets they know are not a fit. They don't want to feel rejection. They don't want to feel like they lost the job. I'm like, "It was never yours to begin with. They were never your client. They were never a fit." But I see people saying, "Well, I've lost eight out of the last whatever."

What was it for you that helped you get so comfortable and just clear knowing, right, that's just the data, that's just the math, 95% or more of the people that come to us are not a fit, we're not aligned with the budget? I had no idea what it actually cost to do all of that. How did you get comfortable with that?

Lori: Well, it was slow. That was a progression. In the beginning there were probably a lot of misfit yeses. And a lot of me overpromising and underdelivering. And a lot of budgets that I could never have accomplished what I wanted to accomplish. But I didn't even understand it. And I didn't communicate well. And then as I grew and got stronger and learned then I was able to be upfront in that initial contact and offer them more solid information. And then when things fell away I was like, the budget wasn't there for them.

Or it's not a personal rejection. They've already come to me. They already liked something.

Tobi: And you remember that pain of wishing you could deliver the design they wanted but not being able to because they just don't have the funds.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

And then you're like, "Well, if I cut my price or cut my hours then I can't eat, or I can't run by business." So, I think like you said, it's having to go through all of that to get to where you are that you get really good at not minding and being honest with yourself about how they're not a fit. Because it was really painful to take the misfit yeses and a lot [crosstalk].

Lori: Well, I mean that's why we're sitting here today, because I learned so much because I had so many misfit yeses.

Tobi: Yeah, you have a lot of great terms. I like the way you think about things. I love that you're honest about them because a lot of people would want to be like, "Well, yeah, they're just yeses." But they weren't the right yeses, they weren't a match, yeah.

Lori: Well, I mean I sit in the garage somewhere with one of the homeowners giving me the what for or I got an angry email, or I got upset text messages. Or my husband had to listen to me being so hurt and upset about something that has gone so wrong and a failure. And so again, it happened, they were angry. Now I have an option to take something from this and sort through the ashes of whatever it was I just burnt the hell down.

Tobi: But you don't have to sign up for it again.

Lori: That's right.

Tobi: Hell no, we will never take that again. We're very happy for them to walk away. And nothing against them, we're not judging them. We're not mad at them. We're not saying they're cheap. We're just like it's just not the work we do. Yeah.

Lori: That's right. And not everyone – almost no one, I'm going to rephrase that, almost no one can pay six figure design fees and seven figure furnishings, almost no one. And that's perfectly okay. But I have no feelings about that whatsoever. That's perfectly reasonable to me. Of course not. So, there's going to be a very small retention.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Tobi: And almost no one can even do half that, almost no one still can even do \$50,000 design fees and \$300,000 or \$500,000 budgets. I mean it's more than that. But it's still talking about the upper 1% of – when we think about a wealthy person makes \$450,000 a year, they can't spend millions of dollars. And they don't have \$100,000 expendable income to pay for a design fee on a new house. Yeah.

Lori: That's right and that's perfectly reasonable. And not to say that all of them are at that level. But when I'm giving people ranges, it's out of the range of what they want to do and I understand that. And I'm just there to answer the call, your inquiry seemed interesting. If it's a flat no in the inquiry then we'll send an email. And the email just says, "Here are the parameters and we'd love to set up a time to talk to you." If it's an inquiry that appears to be a viable inquiry then I make the call instead of an email contact. It's me, I call on the phone.

And then during that conversation both of us typically know whether it's a yes or a no because you feel it out.

Tobi: I love your clarity on this too, the criteria because I feel the same way. And what I notice with a lot of people, I had one of my clients this week that I was coaching. And she was really frustrated. And she's like, "I want to talk about my pricing, should I lower it?" And I'm like, "I haven't even heard the story yet but I'm sure the answer is no." And she's like, "Well, I mean I'm a lot higher than I've been. They tell me I'm the most expensive in the area." And I'm like, "That sounds right." And then she's like, "Well."

And I'm like, "Let me ask you a question. Are you already almost counting all the ones that you're not hearing back from as a yes?" And she kind of giggled and she's like, "Yeah. I was like our pipeline's full through March or April of next year." And I'm like, "If you don't have money and you don't have a signature on a contract then there's still just prospects and I would

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

consider 95% of them as you say are no.” And it was so interesting because so many people are already attached.

They hear x thousand square feet and they think this sounds like a good one and it’s kind of a whale and it’s kind of amazing. And I can already see myself on the cover of House Beautiful or whatever. And so, they’re emotionally attached and then they’re devastated when they walk away. I’m similar to you in that you’re not getting attached to that. Earlier you said, “Once the money and the contract and everything’s approved you’re like, now you can say I’m your designer publicly. Now you have space in my calendar. Now my pipeline is full through x date.”

Lori: Now you exist within our business, you are a client now.

Tobi: Yeah, I love that, yeah, so smart.

Lori: But until then everything else remains kind of marketing. That’s more of a process we’re going through. And I mean honestly, if we go past two conversations it’s probably a bad fit, if you haven’t signed my design agreement after two conversations. There’s either we’re not going to have a trusting relationship which is a requirement in order for me to do my job really well is for us to have a trusting relationship. Or there’s something else going on or you’re wanting to do a negotiation with me. And my feeling on negotiation is, well, you called me. So, I did not come over.

Tobi: That’s so good.

Lori: I did not find you on the internet and ask you if you would like to pay this much for me to come to your house and spend this much on furniture. You called me sis, here is the number. We will blow your mind if this is the number.

Tobi: And I’m sure you don’t have, and it’s also been true for me, I’m sure you don’t have a lot of jobs ever, but especially ones that you would actually get where people are looking at two or three different designers.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Because I mean you're probably going to lose those every time like I would. And hope you lose them because most of the time if you're a fit for me at the prices I charge and the quality of work we do, you just want me and my look. You're not saying, "Let me interview four designers, let's compare their pricing."

And so, I think when you said, if there's two phone calls or three phone calls, I think a lot of times it's yeah. There's something up and it's maybe they're trying to compare apples to oranges. They're not just really saying, "I want this company to design my house. I want Lori to design my house. I want her look." And so, I bet most of your people that really are a fit already, they know they want you. They know your work. They found you. They've probably followed you for a little while. They're pretty convinced when they make the call.

Lori: And maybe two phone calls is fine. And maybe the other decision-maker wasn't involved in the phone call and wants to hear it for themselves. And that's totally fine. One of my little lines that I say to people is, "Decision-makers come to meetings." So, you cannot translate my design presentation to a decision. The client cannot do a design presentation to a decision-maker. If the decision-maker is going to weigh in, the decision-maker shows up to the design meeting.

Tobi: I love that. I love it. You're so smart. Yes, you have so much wisdom.

Lori: Money for design [crosstalk].

Tobi: I love it. No, I mean it. I really love it. I had a hunch that we were similar in a lot of ways. But I think I agree with everything you've said. And I think that kind of at the end of the day what we didn't sit here and talk about although we could have and you'd probably enjoy it is decorating, but what's really at the bottom of success or the core of success is the business smarts that you've figured out along the way. That's the stuff

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

we're talking about that really makes a difference. Because there's all kinds of styles.

There's a lot of people who can make a pretty room if they have some money. It's this stuff that makes or breaks the business.

Lori: Well, and I think scaling and taking a business from where I wanted mine to be and maybe not everybody wants their business to grow to the way that I wanted mine to grow. But this is what it took for me was being a marketing, the chief executive of marketing and the chief executive of the financials. And really understanding those things that made my business function, that there was some infrastructure underneath the pretty stuff.

And that goes into my first conversation, my initial conversation with clients is, "If you're interested in comparing what those two linens look like and the light on this side of the room. And the light on that side of the room we are probably not well suited. I'm going to handle that for you and it's going to be beautiful. And I'm not here to pick the most exquisite fabrics. That's very not interesting to me. I'm interested in where you and your family wake-up and have breakfast together. I'm interested if you and your partner sit down and have a glass of wine at night and where you like to do that.

I like to know whether or not you tuck your foot underneath you when you sit down in a comfy chair because I want to make sure that the seat is deep enough and the chair is wide enough. And that there is an ottoman and you have a side table to put your coffee cup down. I want to know all those things." I don't care about spending the most money on the most spectacular fabric in the world. That is not my goal.

My goal is to create really beautiful, smart, hardworking spaces for these families who invite me in and let me get to know them so we can build a space that rises up to meet them in their crazy, cool lives that they're living. I'm not here to just spend their money and blow through a budget.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Tobi: I love it. It's funny sometimes to say practical, or pragmatic, or commonsense when you're still spending a seven figure budget. But it's really what it is, it's real talk.

Lori: 1,000%, yes.

Tobi: And it's not being just pretentious, or name dropping, or brand dropping, it's like let me create something that does all the stuff that you need it to do, that you feel amazing in every day.

Lori: Yeah. I am a real girl. I have a real house. I have real kids. I have real dogs. I spilled coffee on my sofa a week and a half ago. My sunroom smells like hazelnut. I could not possibly deliver a sectional, or a sofa, or a chair to a family who I know what they're going to do in that room and they're going to spill yoghurt. And they're going to curl up and they're going to do all those things. And I could not deliver a sofa that wasn't going to live the way that they intended to live. That is my job.

My job is to create a home for them to live in. It is not for me to gather a portfolio so I can have the most expensive room in America. I mean really just couldn't be further apart.

Tobi: Love it, I love it. And I just love that you know that about yourself. I mean I think that's such a great way to kind of end. This whole conversation is that you really know yourself. You really know your strengths. And you're making good decisions about, even from the very beginning when you're like, "We don't do our own purchasing." You're like, "That's not our role. We're going to stay in our lane. We know our lane for aesthetics. We know our lane for price points. We know who our customers are and we honor that every single time."

Then business gets to be really fun and really successful, right?

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Lori: Right. If you'll take the pain and you'll learn from it, it gets better. It is the pain actually leads to the avoidance of pain if you're willing to examine it.

Tobi: Yes. You don't have to keep putting your hand on that hot burner over and over again.

Lori: Quit telling people you can do it for less than you can do it. Quit telling people that, "Of course I can make that happen." And you know that the budget's not there, quit getting the wrong yeses. Go for the right yes.

Tobi: That's so good, the right yes. I'm going to ponder that. I love it. Okay, you've given me so much food for thought. I've loved it. It's been so fun. We can for sure do this. I mean we've got to come back and just do a money episode. I told you. I think that the day we're recording this, either today, I think today, if not, it's next week, the day we're recording a money episode is coming out because I got really fired up hearing some other designers talk about, "Why does everything always have to be about money?" And I'm like, "It is about money."

Lori: Because it's all about money.

Tobi: It is about money and why are we always so freaking afraid to talk about money?

Lori: I love to talk about it.

Tobi: There's so much baggage on money. Okay, so we're going to get you back. We're going to have you back. I will be following up with you because we're going to just do a money episode.

Lori: I would love that.

Tobi: So, when it's convenient for you. I know you're a very busy person but when it's convenient we're going to just come back and we're going to talk all things money. We're going to pull out all the stops. And we're going

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

to be super honest as we were today and we're going to blow people's minds when we talk about money. So fun.

Lori: I'm in. I'm in.

Tobi: Awesome, thank you, thank you. Okay, well if everybody wants to find you and they don't already know how, where do they go to see your beautiful work and to find more of you?

Lori: The living breathing everyday portfolio is on Instagram @mrsparanjape. And that's where you'll get the stories, I say the real stories and stories. That's where the shit show lives. And the front is the polished finished. But I do share what's really going on behind the scenes in stories.

Tobi: And you're still working on your own project or did that get – I mean I haven't looked at it. I need to go catch up because the last I heard of the soap opera on stories was we're on our seventh choice for the exterior that the POA won't let us have or whatever.

Lori: I am about to have a very big update on that.

Tobi: Okay, good.

Lori: A very positive, very big update.

Tobi: Good, okay, I can't wait, I'll come back, I'll catch up. I feel like I need to binge watch on Netflix. I hope you keep it all in your stories because it's been a minute since I watched the saga. But I'm ready to know what's happening now.

Lori: That's nice. Well, I'm excited to share. Thanks for having me, Tobi, it's nice to hang out with you.

Tobi: It was really fun, it was really fun.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Lori: And right before we get off I'll tell you so I don't have to sit here and be embarrassed. But I fangirled you so hard at CR Laine when your line came out with them. And I introduced myself to you. And I was super awkward and it was awful but you were so gracious and so great. So, we have had one opportunity to meet in person and that was when I was embarrassing myself.

Tobi: Well, it didn't stick. So all I've done is admire from afar too the last few years. So, it's so fun. Well, thank you for that reminder. And I'm glad I was gracious. You definitely didn't embarrass yourself because I have no recollection of any embarrassing woman doing anything.

Lori: Good.

Tobi: So, you're all good there. Okay, perfect. Well, I will talk to you soon. Thank you so much, it was super fun, such a joy and yeah, and I know people are going to love this episode.

Lori: Thank you so much.

Okay, designers and others who love design, I told you you'd like this episode. It's really fascinating and so exciting to hear how different businesses work. And I really narrow out and geek out on the business side of the design business. So, it was especially fun for me. I hope you enjoyed it too. Please go follow Lori on Instagram, let her and let me know how much you love this episode.

And I'm for sure going to bring her back. I mean since we recorded this episode not very long ago I've had so many questions that I want to ask and that I want to talk about. And we definitely want to have that money talk. So, I will have her back really soon but thank you so much for listening today. And I'll see you back here next week with another great episode of The Design You Podcast. Bye for now.

Ep #183: Money Talks: How to Avoid the Biggest Mistakes Designers Make with Lori Paranjape

Thank you so much for listening to the *Design You* podcast, and if you are ready to dig deep and do the important work we talk about here on the podcast of transforming your mindset and creating a scalable online business model, there has never been a more important time than right now. So join me and the incredible creative entrepreneurs in my *Design You* coaching program today. You can get all the details at TobiFairley.com.