

BUSINESS PRACTICE IN INTERIOR DESIGN

by 149

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A MASTER'S THESIS

submitted in partial fulfillment of the

requirements for the degree

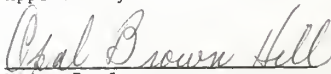
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PREFACE AND ACKNOWLEDGMENTS

Many interior designers and decorators have expressed individually and through trade publications a need in the profession for more information about business practice and procedures. Very limited studies have been made.

There has been a difference of opinion among the schools and the designers regarding what business knowledge should be expected of graduate interior designers and decorators. With the invaluable assistance of Professor Opal Brown Hill, who is an Education Associate Member of the American Institute of Interior Designers, an investigation was made of many business practices and procedures being used in this broad field.

Much of this information would not have been available without these studies and the Manual of Professional Practice of the American Institute of Designers and the Handbook of Professional Practice of the American Institute of Architects. In addition, I am grateful for the apprenticeship training I received from Lucy Drage, Inc. of Kansas City, Missouri. Lucy Drage and Ethel Guy were probably not aware of the impact they had on me. I am also grateful for the year of post-graduate study I was given in interior design at Moore Institute of Art in Philadelphia many years ago. I am most grateful for my husband Leland C. Ward, a graduate architectural engineer, with whom I have been a full partner in our contract-design

business for over twenty years. Without his assistance and cooperation this effort would never have been possible. And I do not forget our five children during these months of neglect from their mother!

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CHAPTER I

INTRODUCTION

At the present time there is no uniformity among the various schools as to just what courses the interior designer is required to study and master in order to earn a degree.¹ Even less consistency exists among schools concerning the business practice with which the interior designer will be involved. The interior designer is in business and does handle rather large sums of money.² It is the concern of this study to point out some of the aspects of business which may confront the designer in his profession.

A gradual change has occurred from the term interior decorator to the more inclusive term interior designer. The term interior designer refers to a person who plans, selects, arranges, constructs, or in some way contributes toward the aesthetics of the inside of a building. This building may be a home, hotel, industrial plant, monument, public building, or ship; it may be large or small; it may be costly or inexpensive. The designer decides what furnishings are needed and how they shall be located. He determines colors, textures,

¹Donald Holden, Art Career Guide. New York: Watson-Gottill Publications, Inc., 1961.

²Dede Draper, "The Professional Speaks," Interiors, CXXIII:12 (July, 1964).

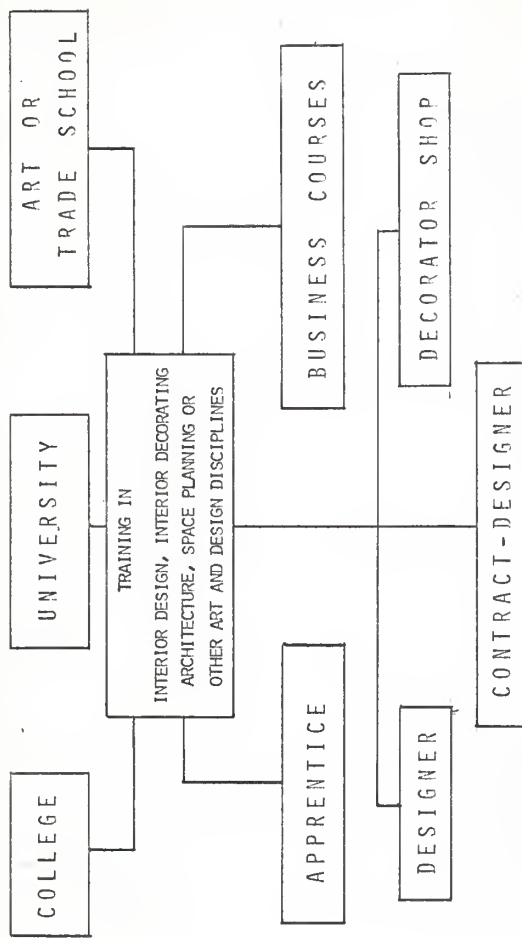


PLATE I

DIAGRAM OF THE TRAINING REQUIRED TO BE A PROFESSIONAL INTERIOR DESIGNER

moods, and he selects wall surfaces, floor coverings, and lighting. He may become involved with any portion of an interior. He may work independently or he may work as a member of a team with architects, contractors, and tradesmen. He may work with a client who may be an individual, several persons, a corporation or other entity. He may prepare interior architectural plans, sketches, models, or perspectives which may be simple or elaborate. Interior design is a creative field expressed in terms of the functional and aesthetic requirements of the client, usually within certain economic bounds.³

The interior designer is a person well-trained in the principles of design and beauty. He may have studied at a college, university, or art school. He usually has a degree in his field. There are no state laws requiring that he pass an examination for license to practice, although the American Institute of Interior Designers is working on this project.⁴ Michigan, Connecticut, and California have considered licensing laws in their state legislatures.⁵ See Plate I, page 2 for a chart showing the possible training of an interior designer.

³Holden, op. cit.

⁴Robert Stevens, Chairman, "Report of Committee on Placement and Apprenticeship," Interior Design Educators Council, (Purdue University, May 12-15, 1966), p. 2 of proceedings. (Mimeographed.)

⁵Arnold Friedmann, "Environmental Design--The Rising Tide," Interior Design 66, University of California Extension/Berkeley. Keynote address printed in program, August 27-September 9, 1966, p. 5.

THE PROBLEM

Statement of the Problem

The purpose of this thesis is to answer two questions. (1) "What business practices may be required by the interior designer?" (2) "Where can the designer obtain business information?" The answers to these questions were assembled in a concise summation of interior design business practices and resources.

Importance of the Study

A series of articles that appeared in Contract magazine in 1966 called attention to the lack of training given to interior design students in the area of business practice.⁶ Other magazines, notably Interiors,⁷ Interior Design,⁸ and Industrial Design⁹ have carried articles emphasizing this need. At a meeting May 12-15, 1966, at Purdue University, the

⁶ John Anderson, "Design Education in Schools Today," p. 80-85; Lawrence Lerner, "How Should the Student Designer be Trained for Contract Work?" p. 72-75; Lawrence Lerner and John Anderson, editorial contributors, "The Educational Problem," p. 69-71, Contract, (April, 1965); editorial, "Model Design School Curriculum Focus of IDEC Meeting," p. 72-73; Marvin Affrime, "What About Sensitivity, Taste, Integrity?" p. 73-75, Contract, (June, 1965).

⁷ "For Your Information," Interiors, CXXV:12, (July, 1966), p. 8.

⁸ "The Professional Speaks," Interior Design, (July, 1964).

⁹ Barbara J. Allen, Assoc. Ed., "Profiles of Consultant Design Offices: Henry Dreyfuss," Industrial Design, Vol. 13, No. 6, (June, 1966), p. 46-68.

Interior Design Educators Council recommended that professional information in interior design should encompass four to five percent of the entire course work in schools.¹⁰

Home Furnishings Daily in an article, "Updated Apprenticeship," reported the results of an apprenticeship program used in the New York City area for training student interior designers in actual business practice. Students and designers familiar with the program acclaimed it to be an answer to the void which exists for experience in business.¹¹

These articles, conversations with interior designers, correspondence with designers, and a personal conviction about the subject emphasized the importance for a study of business practices in interior design.

A thorough investigation of resources indicated that there are no publicly printed references on business practices for the interior designer. The American Institute of Architects Handbook of Professional Practice was the only reference found to be available in public libraries.¹² It

¹⁰Interior Design Educators Council, (Purdue University), (mimeographed proceedings).

¹¹News item in Home Furnishings Daily, New York: Fairchild Publications, Inc., July 24, 1964.

¹²The Architect's Handbook of Professional Practice. Washington, D. C., The American Institute of Architects, 1964. [Referred to simply as Handbook in following references].

has much valuable information but it is not written for the interior designer. In 1917 the American Institute of Architects recognized the need for outlining and giving sources of information for its profession. In 1920 the first Handbook of Architectural Practice was issued. It has been revised many times since that first printing but it remains the guide for architects in business. There are now licensing laws in all fifty states for the practice of architecture.

The interior designer has no such book. The American Institute of Interior Designers does have a similar manual¹³ available to its membership and Gladys Miller told participants at Interior Design 66 that a few copies of this manual are available in public libraries.¹⁴ A. I. D. membership is granted to those persons who have had adequate training and experience to qualify for the high standards of membership specified by this organization. Unlike architects, there are no licensing laws for the interior designer.

¹³ Manual of Professional Practice, American Institute of Interior Designers, (private publication), 1955. At this time the American Institute of Decorators, (A. I. D.) is called the American Institute of Designers. The manual used was published under its former name, and it was in an university library, K.S.U.

¹⁴ Interior Design 66, op. cit., p. 27.

PROCEDURES

Determination of Selected Business Practices

A list was compiled of the business practices covered in the Manual of Professional Practice of the American Institute of Designers and the Handbook of Professional Practice of the American Institute of Architects. The two lists were compared and reclassified under those practices which applied to the profession and client relationships and those which applied to the mechanics of business practices.

Those portions of business practice which were specifically identified with the American Institute of Designers or the American Institute of Architects were deleted. In addition, those sections which were more specifically related to the profession of law or accounting were given less attention because the investigation believed they belong within the realm of those disciplines. Those business practices particularly emphasized in the series of articles which appeared in the April and June 1966 issues of Contract and later in Interiors were noted for particular consideration.

Selection of Sources

It was decided that the most current and pertinent interior design business information would be available from designers who are or have been very recently practicing in the design field. Many have been quoted in the design periodicals. Those statements which pertained to the selected

business practices were chosen for reference. Letters were written to James Merrick Smith, president of the American Institute of Designers, Arthur Friedman of Pratt Institute, the presidents of the National Society of Interior Designers and the National Home Fashions League, the editors of Contract magazine, lecturers at Design 66 and Design 67, the Interior Design Educators Council, and Rita Battistine of Scalamandre Silks, Inc. They were asked if they thought it worthwhile to identify standard business practices, what business practices they considered most important for consideration, and they were also asked for suggestions. Miss Battistine, Mr. Friedman, and Mr. Smith were the most encouraging but not enough information was returned to use as a basis for a thesis.

Interior design business practices were found to be a considerable concern of Design 66, Design 67, and the Interior Design Educators Council. The reviews and proceedings of these lectures, workshops, and other meetings formed the basis for this study. At every opportunity during this study, people were involved in conversation to identify what their experience had been concerning the many selected business and professional design business practices. Many persons contacted have not been cited in this thesis. Their contributions did substantiate the general information compounded and it was valuable for this reason.

This thesis did not follow usual research procedures because it was not concerned with specific questions and answers. Notes were taken of all information collected from the many sources and these were categorized by the business aspects selected. No one was contacted who was not experienced in the profession.

Business sources for general information were obtained from the libraries of Kansas State University, Nevada Southern University, the city library of Las Vegas, Nevada, and Las Vegas High School. Specific books were selected which were known to be written by learned persons from accepted schools of business and other recommended sources.

COMPARABLE TERMS

The names of professional associations and organizations are frequently as well known by their abbreviated initials as by their correct full name. The terms are interchanged in this thesis as indicated in Table I.

Authorities differed in their reference to Design 66 and Interior Design 66 which were the same workshop. The terms are interchanged in this paper according to the source of information. Interior Design [without 66] refers to the periodical.

TABLE I
ORGANIZATIONS AND THEIR ABBREVIATIONS

Name of Organization	Abbreviation
American Association of University Women	A. A. U. W.
American Institute of Architects	A. I. A.
American Institute of Designers	A. I. D.
American Institute of Electrical Engineers	A. I. E. E.
American Society of Interior Designers	A. S. I. D.
American Society of Landscape Architects	A. S. L. A.
American Society of Mechanical Engineers	A. S. M. E.
American Society for Testing Materials	A. S. T. M.
Associated General Contractors of America	A. G. C.
National Association of Home Builders	N. A. H. B.
National Home Fashions League	N. H. F. L.
National Retail Furniture Association	N. R. F. A.
National Society of Interior Designers	N. S. I. D.

ORGANIZATION OF REMAINDER OF THE THESIS

The business practices and procedures of a wide variety of designers and decorators were studied and reported. This study was divided into two broad areas. One was of the profession, its responsibilities and ethics nationally, statewide, and locally with reference to its correlation with other professions and trades, its relationship to its clients, and related subjects. The other area of study was concentrated on business organization, laws, statutes and regulations, finances, costs, and labor and material procurement. That part of the study was followed by a summary, bibliography, and an appendix of forms and other pertinent data collected for this study. The bibliography is annotated for references that might not otherwise be understood.

CHAPTER II

THE PROFESSION AND THE RESPONSIBILITIES OF THE PROFESSION

The National Aspects of the Profession

Interior decorators and designers are found to be in every state and in communities large enough to have a department store or a furniture store. The profession was found to be very decentralized with great diversity of occupation. Some designers were self-employed while others worked for an employer. They worked in design offices, architectural offices, industrial design and space design offices; they worked for manufacturers of furniture, accessories, automobiles, buses, aircraft, carpet, plumbing fixtures, and lighting fixtures; they were employed by hotel and motel chains, decorating shops, and department and furniture stores; they were with the National Park Service, boards of education, business machines companies; and they worked in related fields such as ceramics and textiles. They were located in both high and low rent districts.¹

Membership in professional, trade, and civic organizations was considered advantageous to the interior designer.

¹Donald Holden, Art Career Guide, Chapter IX; "Corporation Staff Designers," Interiors, CXXV:12, (July, 1966).

Two national professional associations have a large membership and there are smaller organizations. In 1966 the American Institute of Designers, with headquarters in New York City, reported a membership of 4500 with 41 chapters drawing membership from every state and throughout the world.² The National Society of Interior Designers also has a large membership. According to Rene A. Henry, Jr. there should be a close liason between all of the related professional groups in the industry such as A.I.A., A.S.L.A., A.S.I.D., N.A.H.B., National Home Fashions League and National Home Improvement Council.³ Three Nevada N. S. I. D. members were asked why they paid dues to a chapter in California even though they never attended meetings. They felt there was prestige value and publicity which was worth the cost of membership.⁴ A large firm doing seven-figure contracts for school districts and the national government felt that membership in the National Painting and Decorating Association was invaluable for work with the labor market and union negotiations.⁵

²"For Your Information," Interiors, CXXVI:4 (November, 1966), p. 8.

³Rene A. Henry, Jr. "Professional Public Relations," Interior Design 66, p. 55 of the printed program. Mr. Henry is Publicity Director for Lennan and Newell, Inc., San Francisco. He gave many valuable pointers to those enrolled in the workshop meetings and lectures of Design 66.

⁴Richard E. McArthur, Houston F. Barton, and Florence Stevens. Personal conversations, February and June, 1967, Las Vegas, Nevada.

⁵George Saxton, Soller Corporation, Las Vegas, Nevada. Conversation, May, 1967.

The State Aspects of the Profession

No uniform code of licensing for interior designers in the various states was found. The Interior Design Educators Council is investigating this subject. Announcements of state and local association meetings were frequently made in the various trade periodicals such as Interiors, Interior Design, Industrial Design, Contract, and Home Furnishings Daily. Information concerning state fees was found to be available at the State offices in the various states. Frequently state offices were located in the larger communities outside of the state capital.

The Local Aspects of the Profession

Membership in professional, business, trade, and social organizations was considered advantageous by most designers.⁶ Time and cost were limiting factors. These associations provided valuable client contacts, business relationships, and assistance with business and civic problems. Mr. Henry strongly emphasized the importance of taking part in local community organizations and even thought this activity should include government, such as local planning or art commissions or even school boards.⁷

⁶ Manual of Professional Practice, American Institute of Designers, 1955, p. 23.

⁷ Rene A. Henry, Jr., op. cit., p. 54.

Licensing fees and other fees for doing business varied from community to community. In some areas such as Los Angeles and Las Vegas, Nevada, it was necessary to have licenses to operate in adjacent cities and counties.⁸ According to William A. Dark, who has an office in Lynwood, California, he has been required to have as many as ten different licenses to do business in the Los Angeles area. Specific information was found to be available in the city and county offices in each area. The designer is responsible for knowing the requirements and for complying with them.

George Saxton of Las Vegas, Nevada, found it profitable to know and to seek the advice from other trade associations when doing contract work that involved trades such as painting and papering.⁹

Leland C. Ward explained the value of good relations with trade associations during the decorating of the casino area of the Landmark Tower Hotel in Las Vegas.¹⁰ Sculpture work of metal was to be hung on plaster papered walls. The designer and contractor were required to have two carpenters

⁸William A. Dark, Lynwood, California in a conversation, March, 1967, concerning the problems involved when doing work in more than one municipality.

⁹George Saxton, Solar Corporation, Las Vegas, Nevada. Conversation in May, 1967, with Mr. Saxton at which time he was asked specifically about how he handled such matters.

¹⁰Leland C. Ward, Ward and Ward, Contractors-Designers, Las Vegas, Nevada. Conversation, May, 1967, concerning problems of expediting for the Landmark Tower Hotel construction and decorating.

execute the actual hanging of the sculpture. The National Painters and Decorators Council was able to make the proper decision as to who should be hired to make the installation. As a result, conflict with trade unions was avoided. A good relationship with this organization expedited the work efficiently without labor difficulties. In communities large enough to have many trade organizations it was advised that when a designer contracts to do work with which he has had no previous experience, it is wise to go to the local trade associations which have this information. In smaller cities there would not be the problem.

Public Relations and Publicity

No disagreement was found concerning the importance of public relations and publicity. This statement was found in the A. I. D. Manual of Professional Practice

The fact that a Decorator has exceptional ability, offers excellent services or gives good value in desirable merchandise means nothing until these services are brought to the attention of those who want them.¹¹

Many decorators were found who hire public relations personnel to create the proper image for their firm. Nothing was found to indicate that direct sales or new clients resulted from this practice. Interiors magazine interviewed several design

¹¹ Manual of Professional Practice, op. cit., p. 23-24.

firms concerning their business practices.¹² None reported any direct results from publicity and hired public relations agents. Dorothy Draper said that all new business comes from word-of-mouth and that no business has ever come from publicity. She stated that it is important to be known especially by architects and she thinks it important to get one's name in top trade magazines. She thought that appearance in a trade show was a waste of time. Tom Lee, Ltd. said that new business comes by reputation and personal contact. That firm retains a public relations representative and they pay \$500/month for photography and placing stories. According to the firm, cafe society column publicity is important for private decorating. This firm stated, "Publicity never has brought any clients but keeping your name before the public helps." Another firm reported an expenditure of \$1,000 per year on photography. Publicity and public relations were both considered necessary for successful business. Public relations were best obtained through active participation in professional organizations, civic clubs, trade associations, and social groups. Publicity was best handled by news and pictures in

¹²"The Business of Running a Business," Interiors, CXXV:2 (September, 1965), p. 142-218.

¹³Ibid.

¹⁴Ibid.

periodicals, newspapers, as well as lectures before appropriate groups. Successful jobs and happy clients were considered the best advertisements. No commercial advertising of services is considered ethical by major professional people. Products may be advertised by decorator shops.¹⁵ The subject was considered important enough that one entire session of Design 66 was devoted to "Professional Public Relations." Rene A. Henry, Jr.'s entire lecture is worth reading for more information on this subject.¹⁶ Channels for establishing good public relations appear on Plate II, p. 19.

The Profession and the Client

Very little information was found concerning client relationships and how to make them successful. However, it was considered one of the most important facets of business practice by all designers considered. Nine interior designers were asked by the editors of Interior Design, "In what areas do you find beginners need further training?" Seven of them emphasized the importance of client relationship. One, Richard F. Greiwe of Cincinnati, recommended "A few courses in psychology would also be of value in aiding designer and client relationship."¹⁷

¹⁵ Ibid.

¹⁶ Rene A. Henry, Jr., op. cit. p. 52-56.

¹⁷ "The Profession Speaks," Interior Design, July, 1964.

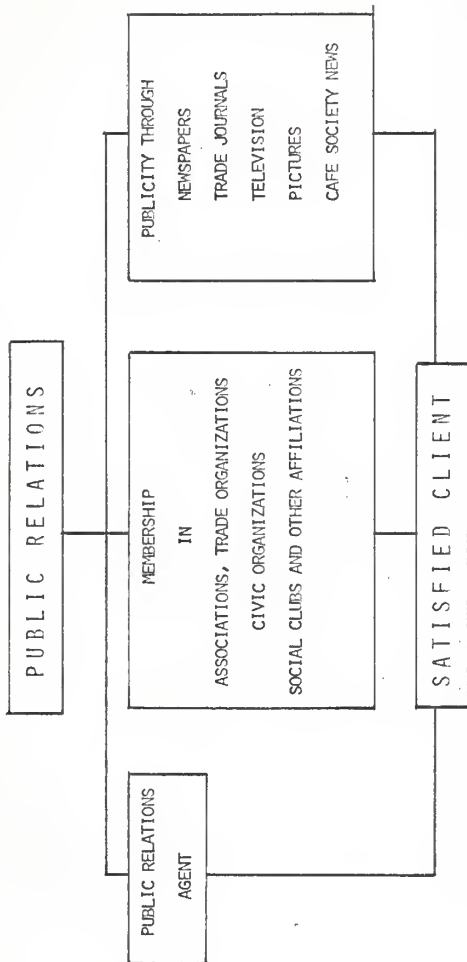


PLATE II

GOOD PUBLIC RELATIONS ARE REQUIRED FOR ESTABLISHING CLIENTELE.
THEY ARE ACHIEVED THROUGH NUMEROUS CHANNELS.

Two successful projects in which an apprenticeship program was offered to students in the New York City area to help them with their practical business practice. Client relationships were stressed by both the designers and the students. The projects were Operation Experience, sponsored by the New York Chapter of the National Home Fashions League, and Career Springboard, which was sponsored by the Education Committee of the New York Chapter of A. I. D.¹⁸

When it was stated that very little information was found concerning client relationships, it was not meant to infer that nothing has been said about the subject. Many articles in the trade journals have been devoted to the topic, and it has also been given considerable attention at workshops, notably Design 66, where sixty-three interior designers with a broad field of experience contributed their enthusiasm and electric responsiveness to discussions moderated by Ruth Sherman, A. I. D., according to Interiors.¹⁹

At Interior Design 66 designers agreed that improved services to the client resulted in the ultimate financial success of the business. Knowing the client was considered important in order to give the best possible design service

¹⁸ Home Furnishings Daily, July 24, 1964.

¹⁹ Olga Gueft, editorial, "IDEC to the Rescue," Interiors, CXXVI:3 (October, 1966), p. 97.

and to establish the paying value of the client. Although a contract can be broken if a client fails to pay, much time and costly litigation can be avoided by the selection of clients with good credit rating. A broken contract can result in unfavorable publicity, deserved or not.

The Interior Design 66 workshop, "Commercial and Institutional Design" by its own objectives, did not establish any criteria in the area of business practice, but leading designers acclaimed the points stressed and did subscribe to many of them. Some of the points emphasized in the workshop are herein reported.²⁰

Having been contacted by a prospective client, there should be preliminary preparation by the interior designer before contracting to do a job. The designer should research the client to ascertain his reliability as a client and to determine what he wants to do. The designer should know if the client is an individual or a group; the business affiliations of the client; what product or services are provided by the client's firm, the size of the company, the stockholders, and the principals involved. If the client represents a public institution, he should learn as much as possible about it including its philosophy. Credit rating should be determined through banks, other financial institutions, or Dun and

²⁰Interior Design 66, op. cit., p. 36-39; "Commercial and Institutional Interior Design Workshop," University of California Extension, San Francisco, August 31, 1966 and September 1, 1966. (Mimeographed)

Bradstreet. If the contract is large, it is not uncommon for the client and designer to exchange financial statements. If competitors have done business with the client, it may be possible to ask them about the client. Find out what the client wants to do, how much, and what budget is allowed. A list of sources for business and personal references is given in Appendix A.

At the Interior Design 66 workshop it was recommended that for a first meeting with a client the designer should prepare a summary of his professional practice. This could include the names of the firm members, background information about the designers and staff, a summary of completed jobs, including photographs and sketches, and the names and addresses of satisfied clients. He should indicate current jobs, have a financial statement available, and make known the method of charge used by the design firm for such work.

Other designers have indicated that they have found that the client has investigated the designer before approaching him and that they are contacted after the client has determined that the designer meets his approval.²¹ It is important for the designer to know as much as possible about the prospective client. Other points were covered at the workshop

²¹ Conversation with William A. Dark, Lynwood, California and Leland C. Ward, Las Vegas, Nevada, April, 1967. Both have designed for many years.

and the proceedings should be read in full content for maximum value and information.

Other designers have indicated a somewhat different procedure with clients.²² These designers do not take any information to the meetings concerning themselves unless specifically asked to do so. They feel that a prospective client has asked them to come because they are professionally knowledgeable in their field. They solve the design as they understand the requirements presented by the client. The design is accepted or rejected and changes are made as required by the client. They do not make catalogs available unless specifically requested because it offers too much opportunity for the client to digress from the original design. They offer alternate solutions when requested.

Josephine Houck of Germantown, Pennsylvania, and an early member of A. I. D. gave a series of lectures on "Business Practice" to students at Moore Institute of Art in Philadelphia in 1939. Although this was many years ago, much that she said is still appropriate:

Business personality is of first importance aside from technical knowledge in decorating. A decorator's relation to her client is different from any other business relationship. The decorator is required to spend many hours with her client, so it is necessary for her to be friendly and yet not too intimate. The attitude assumed toward a client is partially governed by the client's attitude to the decorator and this

²²Ibid.

close relationship makes understanding necessary.

A decorator must know how and when to appeal to her client. Each meeting makes it easier to know how to understand the desires of a client. Most clients have no business personality and it is up to the decorator to understand and adjust herself to each client, always keeping her business personality.

There are many types of clients, some know good decorating and how it should be done. There are those who do not know good decorating, but they have the money to pay for it and they put their trust in their decorator. It is up to the decorator to justify this trust. There are many other women--unreasonable, petty, and to each it is up to the decorator to learn to give all the same amount of time and thought. Make each client feel her work is important no matter how small the order. Make her feel you are just as interested in planning lamp shades as a whole room. Always be gracious. Many times one has to do things gratis, but don't spend too much time in this way. Help a client conscientiously and carefully with detail. Many clients will claim a scheme which the decorator planned. This must be overlooked. Never allow a client to go away dissatisfied. If she has just cause for complaint, adjust it to her full satisfaction, even though you lose money on the order. Any established decorator will tell you her clients are those for whom she has done satisfactory work and who have seen her work and liked it. Some clients are hard to please and have poor taste. Just because they do not know good workmanship is no reason not to give them first class workmanship. If a client cannot afford the correct choice, get what she can afford in good taste.²³

The establishment of clientele is developed in several ways that are illustrated on Plate III, page 25. Client confidence in the designer is gained through the designer's

²³Josephine Houck, Germantown, Pennsylvania. Part of a lecture given to students at Moore Institute of Art in 1939.

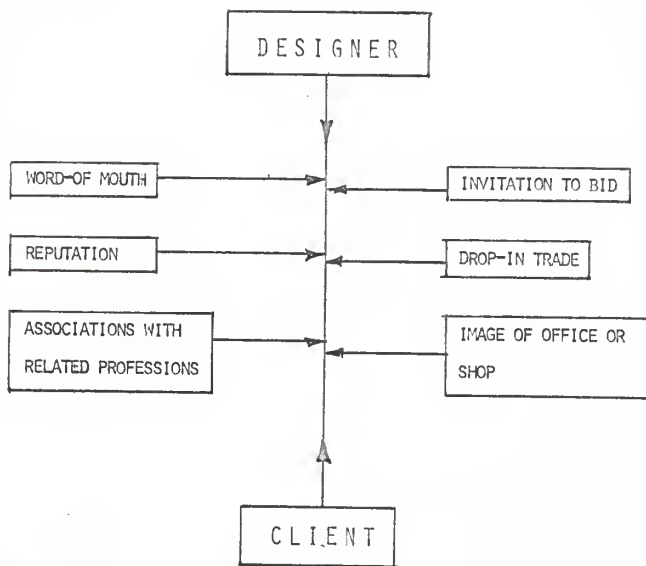


PLATE III
PROTOCOL FOR REVIEW AND ESTABLISHING CLIENTELE

salesmanship, design ability, and business management. These are outlined in Plate IV, page 27.

The Profession and its Relation to other Professions, Trades and Businesses

Throughout this study there was considerable evidence that membership and affiliation with organizations of related professions were important for prestige value, public relations, publicity, and for general knowledge of the entire industry. In a letter from James Merrick Smith, F. A. I. D. it was pointed out that the practice of interior design is changing considerably in this transitional time.²⁴ Further evidence of the changes taking place appear in all of the design trade journals. There is evidence that more and more designs are being completed through the team effort of several professionals such as designer, architect, engineer, planner, and the various contractors and sub-contractors. Particularly with reference to industrial and commercial design it is found that the total design picture is changing swiftly to meet the demands of modern society and its increasingly sophisticated economy. According to John L. Chapman this concept is making it necessary to integrate the responsibilities of design,

²⁴James Merrick Smith, president of American Institute of Interior Designers, in a reply to a letter asking about design practice, expressed the necessity to establish certain standards to meet the changes occurring in the field. (June 12, 1967).

SALESMANSHIP

+

DESIGN ABILITY

+

GOOD BUSINESS
MANAGEMENT

DECORATOR MUST CONVINCE CLIENT OF FOLLOWING:

- (1) HIS BROAD KNOWLEDGE OF EVERY ASPECT
OF INTERIOR DESIGN.
- (2) HIS BROAD KNOWLEDGE OF A PRACTICAL
UNDERSTANDING OF MATERIALS AND CONSTRUCTION
METHODS USED IN THE EXECUTION OF AN
INTERIOR DESIGN.
- (3) A DEFINITE AND CONSISTENT METHOD OF
BUSINESS OPERATION.

PLATE IV

CLIENT CONFIDENCE IN DESIGNER

engineering and construction supervision.²⁵ To be a member of this total team effort it is necessary for the designer to know and to be able to work within his profession and in addition to work with all of the related professions and trades of the total industry. Membership in associations is an effective way to know this inter-related industry. The successful completed design today is thought to be the result of good rapport and communication between those who are responsible for the total design picture.²⁶ Several good articles have appeared in Building Construction during the Spring of 1967 which focus on the changing business structure of design.²⁷ A list of associations related to the design business either directly or indirectly are to be found in the appendix.²⁸ Organization and association affiliations are charted in Plate V, page 29.

Flow charts on Plates VI, VII, and VIII show the normal development of a contract with a client based on design services. The selected services are (1) pure design development, (2) designer performing as a contractor, (3) designer as a merchant. The relative liability of the contract-designer

²⁵ John L. Chapman, quoted in "Time for a Change," Building Construction, (June, 1967), p. 76-78.

²⁶ "Architects Emergency "Package" Rebuilds a School Fast," Building Construction, (June, 1967) p. 82-84.

²⁷ Ibid, (May and June, 1967)

²⁸ See Appendix, p

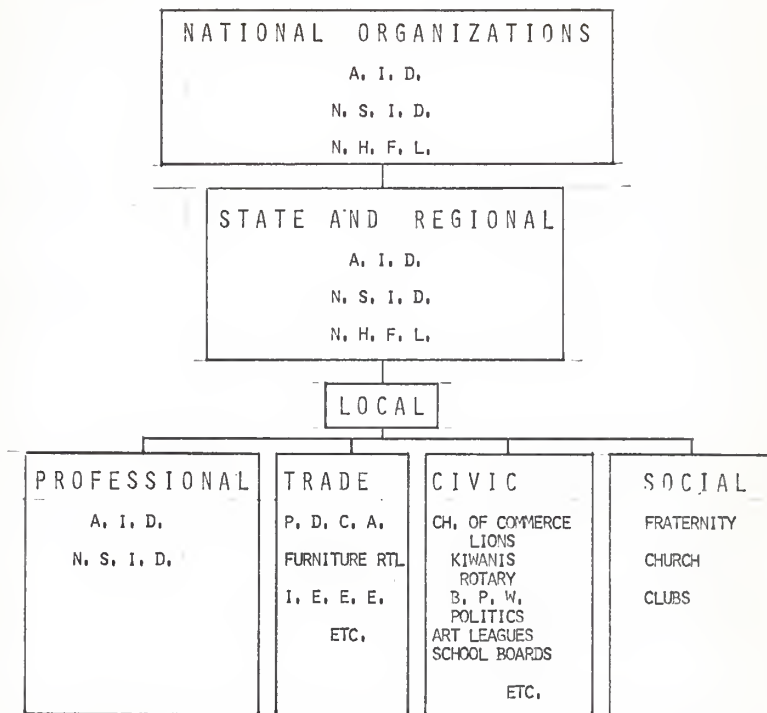


PLATE V

MEMBERSHIP IN PROFESSIONAL, TRADE, CIVIC, AND OTHER ORGANIZATIONS

is greatest and the pure design services involve the least liability.

Every reference cited the importance of a contract for mutual benefit of all concerned parties in the instrumentation of an agreed-upon design. It was found to be the efficient and business-like legal document which clarified to both the designer and client the scope of the design. Samples of contracts prepared by the American Institute of Architects are in the Appendix G.²⁹ They are included for the purpose of showing examples of contracts. The Manual of Professional Practice, the Architect's Handbook of Professional Practice, numerous books on business organization and business law, all of which are to be found in the Bibliography, stress the importance and necessity for each contract to be prepared for the individual client and job.³⁰ The contract is of mutual benefit to the designer and to the client. It tells who is involved, what is involved, the location of the work, the terms and agreements for performing the work, the method of payment, how the work is to be done, or any other agreements

²⁹ See Appendix, p. for contracts covering professional fee-plus-expense, multiple of direct personnel expense, percentage of construction costs, professional fee plus expense, and other types of contracts.

³⁰ Manual of Professional Practice, p. 75. [The manual also has forms of contracts for use by its membership. Many firms print standard contracts]

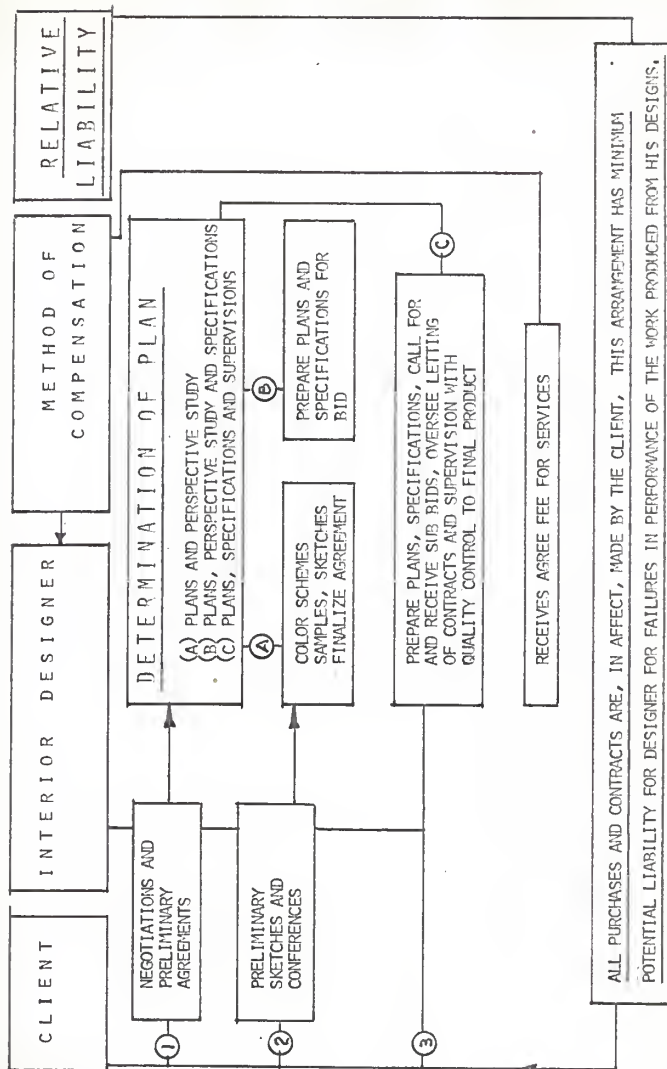


PLATE VI

FLOW CHART - NORMAL CLIENT/DESIGNER NEGOTIATION FORMAT BASED ON PURE SERVICES-RENDERED TYPE AGREEMENT.

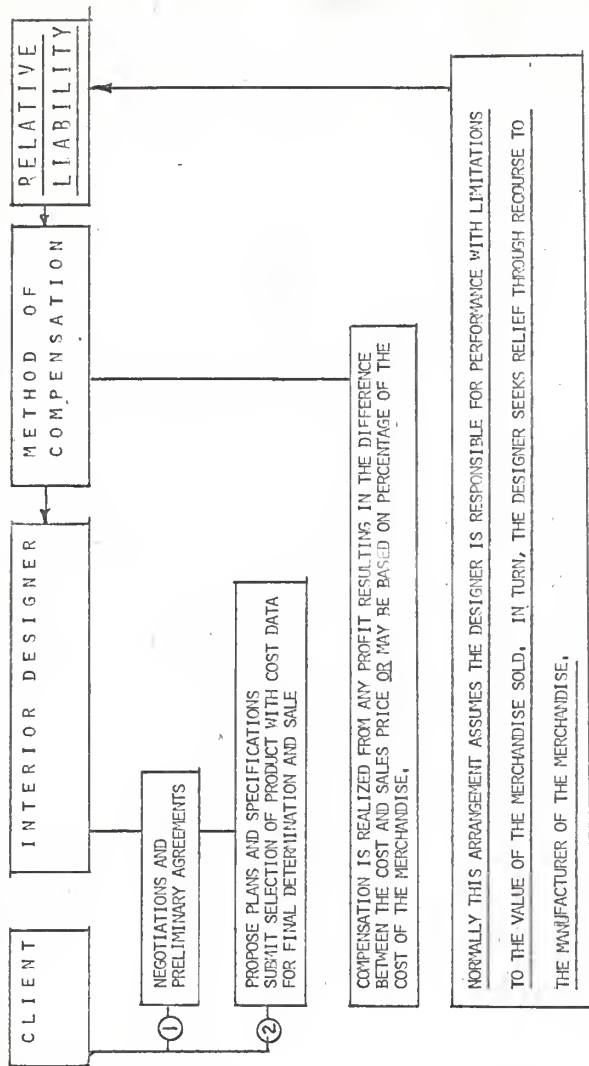


PLATE VII

FLOW CHART - FORVAT BASED ON THE DESIGNER BECOMING A MERCHANT SELLING MERCHANDISE.

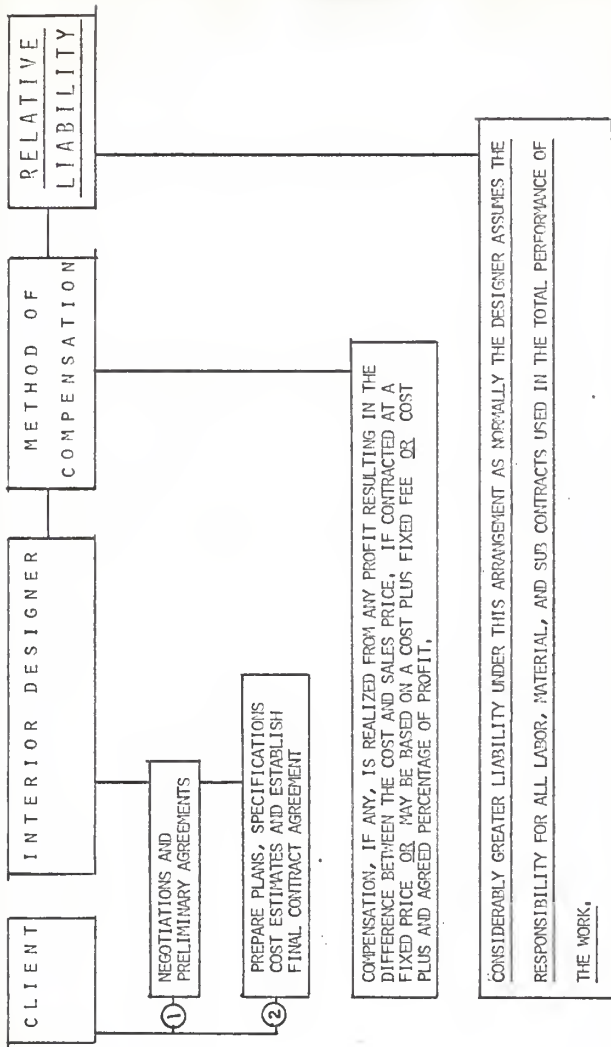


PLATE VIII

FLOW CHART - NORMAL CLIENT / DESIGNER NEGOTIATION FORMAT BASED ON THE DESIGNER ACTING IN THE CAPACITY OF A CONTRACTOR

the designer and client may have. Many designers indicated that they had never had to use the legal contract in contest but they still thought it to be necessary. The writing of a contract requires the professional knowledge of an attorney-at-law and for this reason, it is not covered more fully in this report.

Most designers agreed that as soon as the client and designer have mutual understanding of the business aspects of a job they can devote their time and talents to the more interesting design elements.

CHAPTER III

THE BUSINESS, ITS ORGANIZATION AND PROCEDURES

The almost unlimited source of information on business is much too voluminous for practical use by the designer. For many years' there has been a need to abstract business practices and procedures into a form which would be useful to the decorator or designer. The purpose of this portion of the study was to abstract this information briefly and usefully for the designer. The specific selection was made through adherence to American Institute of Designers and American Institute of Architects published recommendations as found in their guides for professional and business practice.¹

Forms of Business Organization

A business may be one of at least four types: (1) an individual proprietorship; (2) partnership; (3) limited partnership; (4) corporation. Other forms of organization such as the cooperative and tax-free institutions and organizations have not been considered.

A proprietorship is the simplest form of business. If the designer forms this type of business under his own name

¹Manual of Professional Practice, American Institute of Interior Decorators, 1955; and Architect's Handbook of Professional Practice, American Institute of Architects, Washington, D. C.: 1964.

he is not required to go through any legal formalities. He supplies all of the capital required for the business. If he uses a trade name he is usually required by state law to register this name at a recording office. Many states forbid the use of "and Company" or "& Co." after a name. Specific formalities and laws must be ascertained in each state.

There are advantages and disadvantages to this type of business. What would be beneficial to one person may be the very problem presented for another. Advantages of a proprietorship might be (a) simplicity of organization, (b) avoidance of filing fees or corporate fees, (c) the decisions of one person are terminal, (d) the net profits are not divided, and (e) others. The disadvantages may offset the advantages. For example, (a) limited capital, (b) success is by continuous personal attention, (c) all business liabilities are assumed by the proprietor, (d) the proprietor is responsible for all phases of business whether or not qualified, (e) growth of business is restricted to the energy and ability of the owner, and (f) additional capital is difficult to get.

Many successful interior designers have operated under the proprietor-type of business. Ward Bennett reported in Interiors that he had enjoyed the freedom of this type of business for eighteen years. He had limited his clientele to six each year. He selected clients who presented the most interesting challenge to his abilities.²

²"The Business of Running a Business," Interiors, CXXV:2 (Sept. 1965) p. 141-142. [That part concerning Ward Bennett]

Partnerships are classified as "general" and "limited" and the partners are listed as "general" and "special". This is an association of two or more persons as co-owners of a business. Their agreements are oral or written and are somewhat regulated by State law. Three-fourths of the states have adopted the Partnership Act which was completed by the Commissioners on Uniform State Laws in 1914.³

There are many questions one should ask before becoming a partner, according to authorities, such as:⁴

1. Who may become a partner?
2. What should a partnership agreement contain?
3. How will profits and losses be divided between partners?
4. Does a partner have a right to receive interest on capital?
5. Does a partner have a right to receive interest on loans?
6. What are the rights of indemnity and contribution of a partner?
7. What is the liability of a general partner to creditors of a partnership?
8. What are the liabilities of a secret partner; dormant or silent partner?
9. What is the liability of an individual as a partner although he has not entered into a partnership agreement?
10. What is the liability of the members of a partnership for the malpractice of one partner?
11. How does one manage partnership affairs?
12. May one of two partners prevent his copartner from binding him by his acts?
13. Has a partner power to borrow money or to execute negotiable instruments?

³ John Wyatt and Madie B. Wyatt, A. B., LLV. Business Law: Principles and Cases. 2nd ed. New York: McGraw-Hill Book Company, Inc. 1963, p. 597-662.

⁴ Stanley M. Brown, Business Executive's Handbook. 4th ed. Englewood Cliffs, New Jersey, Prentice-Hall, Inc., 1957. p. 1134-1158.

14. What is the power of a partner to collect partnership debts?
15. What is the power of a partner to lease partnership property?
16. Can a partner employ assistants? How?
17. What is the power of a partner to purchase and sell personal property?
18. What is the power of a partner to convey real property belonging to the partnership?
19. May a partner engage in any other business?
20. Is a partner entitled to compensation for his services?
21. What is the power of a partner to execute instruments in the firm name?
22. If a partner executes instruments in individual name, may a partnership be bound thereby?
23. What are the partner's rights to information and inspection of books?
24. When has a partner a right to an accounting?
25. What is the duty of a partner to account for personal benefits?
26. May one partner sue another partner?
27. How can one expel a partner from the business?
28. May a partner transfer his entire interest in the partnership?
29. How does a partner withdraw from the partnership?
30. How is a new partner admitted into the business?
31. What is the liability of the incoming partners?
32. What is the effect of death of a partner?
33. What is the effect of bankruptcy of a partner?
34. How does one continue a partnership beyond its fixed term?
35. How are profits and losses divided upon liquidation?

These are questions which might be asked about any business organization, in part, and as they might apply.

A limited partnership is a modified type of partnership in which one or more persons, known as "limited partners" are partners with a "general partner" or partners. It is usually regulated by State law. It is a legally established business and filed as such.⁵

⁵Wyatt & Wyatt, p. 659-662.

A corporation is the most complicated form of business organization. It is formed by a charter issued by the State. It requires three or more persons. It may be formed when outside capital is required for a business if it is not desirable for those persons providing the capital to have active management of the business, although they do share in the profits. Laws vary and some professional persons are not permitted to form a corporation.⁶ Because a corporation is a legal entity, a qualified attorney at law should be selected to instrument incorporation.

Most authorities in business organization advise that a qualified attorney at law be consulted when a business is to be organized. There are many references in public libraries which apply to business. It is advisable to read from new editions by authors recognized in the field of business. The publications of "schools of business" such as Harvard, University of Pennsylvania [Wharton], and Stanford are accepted as excellent sources of information. Four business organizations are charted in Plate IX, page

Federal, State, and Local Laws, Statutes, Ordinances, and Regulations Which Affect Business

According to the A. I. D. Manual of Professional Practice it is advisable for the designer to retain legal counsel for

⁶Ibid. p. 663-764.

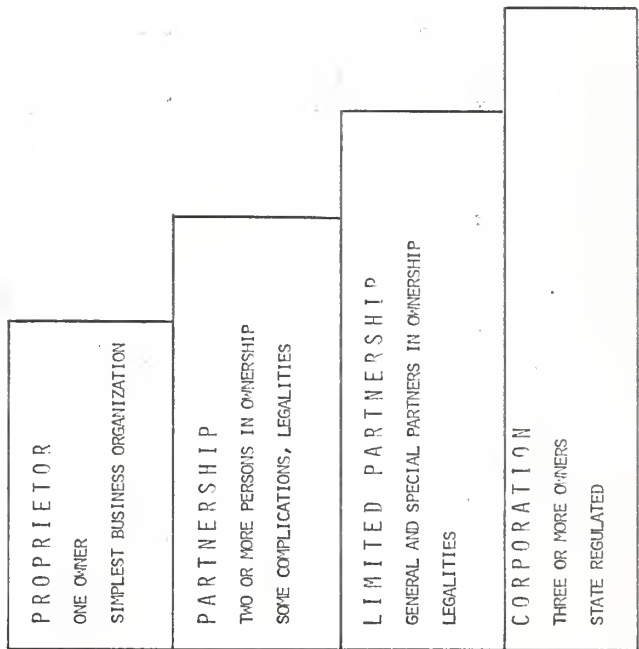


PLATE IX

TYPES OF BUSINESS
ORGANIZATION

clarification of the legal aspects of business.⁷ One doing business is responsible for abiding by all applicable laws and ignorance of the law is not defense.

Laws applicable are federal, state, county, regional, municipal, and others. Taxes include income, sales, use, occupancy, and others which are further categorized by governing jurisdictions. Insurance requirements vary from state to state and may cover general liability, property damage, contractual liability, contingent liability, vehicular comprehensive, personnel insurance, installed products insurance, and others. Workmen's Compensation Law varies considerably from state to state and an employer needs to be sure he is adequately covered in every respect. The advice of counsel may come from many sources such as the insurance agent, many of whom are specialized, bankers, government agencies, and others. Some insurance is required by legal jurisdiction of public governing bodies and others may be required by a client.

The designer is responsible for compliance with applicable zoning laws, ordinances, and codes. Part of the service rendered to the client is the assurance all legalities have been acceptably met. Copies of legal documents describing these laws are available from the appropriate governing jurisdiction and they should be procured for study and reference.

⁷ Arthur M. Weimer, Business Administration: An Introductory Management Approach, Rev. Ed. Homewood, Illinois, Richard D. Irwin, Inc., 1962 [Also see Appendix for additional sources of business information].

Accounts and bookkeeping records are subject to audit by government and insuring agents. An approved system of accounting should be used by the office to make the information available when requested. [See Office Organization and Procedure, page 42 in following section].

It has been found that much general information and considerable specific information can be obtained from local, city, state, and federal agencies. Additional information is available from Chambers of Commerce, Better Business Bureaus, and various contractional associations.

Arthur Weimer listed among sources for information libraries, business and financial sections of daily newspapers, banks, loan institutions, trade and financial magazines.⁸

Office Organization and Procedures

The size and type of office organization used by designers and decorators was found to vary considerably. The office of a designer was not the same as the office of a decorator who was selling merchandise from a shop. Successful operations were found among all sizes and types of design business.

Design offices of different sizes were compared by Industrial Design. Of the fifty-seven offices selected, the majority had fewer than ten on the staff as designers. The number of design offices according to the size of the office is shown in Table I.

⁸ Ibid.

TABLE II

NUMBER OF DESIGN OFFICES ACCORDING TO SIZE⁹

Size of Staff	Number of Offices
2 to 5	26
6 to 10	17
11 to 15	5
16 to 25	7
27	1
87	1

The size of the office is dictated by the nature and requirements of the business and by the capital available for this use. Office management involves the physical plant, its personnel, and its functions. In general the operational functions of the office include space for reception, clerical, conference, drafting and/or samples, and package and/or storage.

Both the Manual of Professional Practice and the Architect's Handbook of Professional Practice offer much information on the setup and running of an efficient office.¹⁰ Many

⁹"A Survey of Consultant Designers," Industrial Design, Vol. 13, No. 6 (June, 1966), p. 108-110.

¹⁰Architect's Handbook of Professional Practice, Ch. 6, and Manual of Professional Practice, Ch. 2

other sources of information are listed under the references in the appendix.¹¹ A good accountant or certified public accountant can set up a bookkeeping system which will adequately cover all necessary areas. The A. I. D. and A. I. A. substantiate the fact that business is an investment which should offer a promise of financial return. As it was pointed out in the Manual of Professional Practice:

More than one-fifth of the retail businesses started in the United States survive less than one year and almost as many fail in the second year. Only one out of ten last as long as ten years.¹²

Reasons given for failure were, poor management, inadequate financing, lack of good judgment, extravagance, high overhead, poorly kept records, assuming of credit risks which were either slow to pay or had the reputation for not paying, lack of business information, training, or lack of knowledge of sources of information. Efficient management is the major difference in profit and loss.

According to A. I. A. and A. I. D. successful practice depends on three things: (1) design ability, (2) effective salesmanship, and (3) good business management. Design ability depends on training and education, experience, and natural creative abilities or talent. Salesmanship depends on personality, desire to please, and ability to inspire confidence.

¹¹See Appendix, p "References for Office Information."

¹²Manual of Professional Practice, p. 77.

Good business management depends on strict adherence to established economic principles.

According to Stanley Barrows, Parsons School of Design, one of the major objectives of training at that school is "to acquaint them [students] with business practices based on standard business procedures." Mr. Barrows further stated that additional training in business methods and procedures should be gained in specialized schools or under an apprentice period of training.¹³ Many good books were located and are cited in the Appendix which offer further information on the subject.¹⁴

The records for a designer are of three types: (1) general office records, (2) client or job records, and (3) financial or accounting records.¹⁵ It is strongly recommended that a system of filing be set up, no matter how small the beginning business, that will be adequate and can be expanded to allow for business growth. A design business may wish to adapt one used by one of the professional organizations or one offered in the building trades.¹⁶

¹³Barrows, "Future of Interior Design Education," Interior Design, (July, 1962)

¹⁴Appendix, Ibid, p.

¹⁵Manual of Professional Practice, loc. cit.

¹⁶Data Filing and Cost Accounting, a document copyrighted by C. S. I., A. I. A., A. G. C., and C. M. S. C. I. Also see specific systems of A. I. D., A. I. A., A. G. C., and others.

The Manual of Professional Practice suggested that the general office records should include correspondence, a chronological file, subject files, awaiting-reply file, delivery-pending file, catalog files, and clipping and reference files.

Client or job records involve three types of items: (1) a client or job file including all correspondence, estimates, contracts, addenda, and memos pertaining to the specific job, (2) a material record file with samples, brochures, colors, and coverings of all work to be executed, and (3) a drawing file to hold tracings, sketches, and renderings, models, etc.

Financial records are extremely important and are subject to examination by tax authorities, insurance agencies, banks, and other auditors. They provide the necessary information to determine the condition of the business.

At Interior Design 66 workshop for interior designers and decorators in September, 1966, emphasis was made on the importance of keeping a complete record of overhead costs for the purpose of allocating these costs to overhead charges against individual jobs. Unaccounted for overhead devours profit.¹⁷ Overhead includes cost of office space, utilities, cost of secretarial services, travel expenses, insurance, salaries, office supplies, time spent on estimating, time spent with salesmen, suppliers and research.

¹⁷ Andrew Addikson, A. I. D., Chairman, "Commercial and Institutional Interior Design Workshop, University of California Extension/Berkeley, August 31-September 1, 1966. 63 decorators and designers discussed business practices important to successful operation.

Those designers operating a shop for sales of merchandise require more records and files than those who confine their business to design and contract. A system is required to cover sales, inventory, purchases, memos and samples, suppliers, and all additional services and goods provided. This will also include sales personnel, shop fixtures, workrooms if required, provision for receiving, marking, storage and other facilities and space. Suggested minimum record requirements are indicated on the flow chart on Plate X.

Good business practice, according to A. I. A. and A. I. D. dictate the importance of having an established office procedure program, no matter how small the business. Some designers have suggested that the procedures be kept in a notebook which makes additions, changes, and deletions simple. These policies should include the following points: (1) business hours, (2) lunch hours, (3) coffee breaks, (4) holidays, (5) paid or unpaid vacations, (6) absences, (7) sick leave, (8) overtime, (9) wage provisions, (10) emergency leave, (11) severance pay, (12) hospitalization, (13) disability, (14) major medical, (15) retirement, etc., (16) withholding taxes and social security, (17) jury duty, (18) deportment, (19) personal phone calls, (20) discounts on purchase for personal use, (21) procedure for answering telephone, (22) receiving clients, (23) receiving salesmen, auditors, etc. (24) protection of fixtures and equipment, (25) drawings and reproductions, (26)"confidential"

(27) office forms, and many other office procedures and policies as pertinent. The procedures should be edited at regular intervals to keep them usable.¹⁸

"A letterhead is the first requisite for any office" according to the Manual of Professional Practice.¹⁹ The standard size is 8 1/2" x 11" and it can be used for many purposes. Business cards are generally a necessary item for the designer.²⁰ Invoices, statements, memos, painting and decorating schedules, and other miscellaneous forms which require three or four copies for adequate use and proper filing may be prepared more economically on less expensive paper. These forms may be purchased from printers, suppliers of stationery, or copyrighted forms are available from A. I. D. for their own membership. Sample colored purchase order forms are illustrated in the appendix.²¹ Each color may be used to indicate its filing location and the color is used consistently for many types of forms such as sales slip, work order, estimate, or other individually selected forms.

¹⁸ Manual of Professional Practice, p. 82-88 and Handbook of Professional Practice, Chapter 6.

¹⁹ Manual of Professional Practice, p. 88

²⁰ Loc. cit.

²¹ Appendix, p.

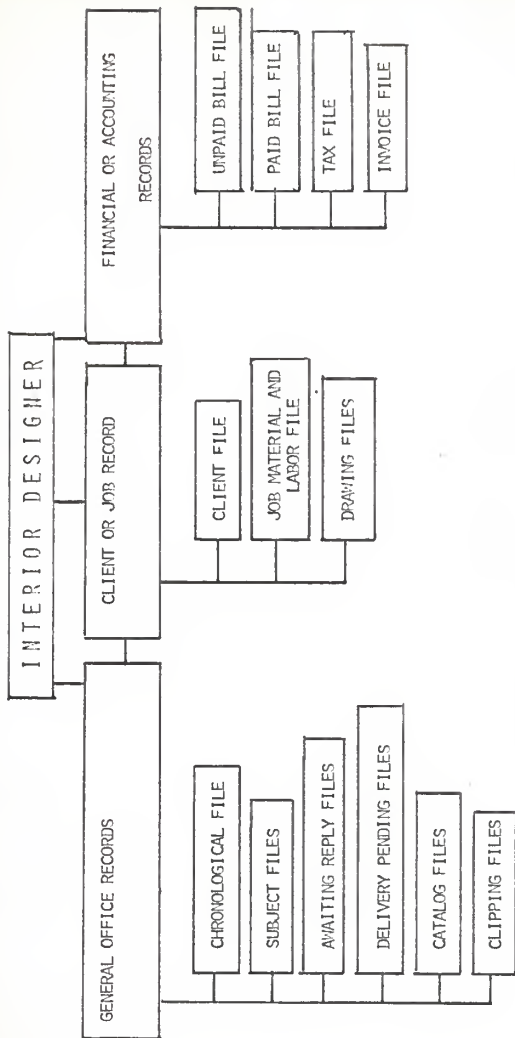


PLATE X

FLOW CHART - MINIMUM RECORDS REQUIREMENT FOR THE OFFICE

It has been recommended that the designer establish an office or studio shop which would reflect the proper image to prospective clients. The address and the decor of the office may be important for establishing the desired image.²²

The relation of the designer to others in the office or shop is important. Josephine Houck had this to say:

In the office treat all the same, be fair and helpful to any who ask advice, but do not be a door mat. Admit any mistakes. Your valuation of self often governs the value others place on you.

With relation to those under you such as importers and wholesalers, remember that all are selling to you, all are efficient and business-like. If you are fair, friendly, and courteous, you will be treated so in return. Don't be high-handed and bossy. They are trained in their work, so respect their knowledge. Be willing to be guided by what you are told while inexperienced, for those in business are mechanics. Never lose your temper and never call down a workman before a client.²³

Financial Aspects of Business

Capital is necessary for every type of business and is of two kinds. There is the capital which is tangible and covers money, bonds, stocks, and other securities such as real estate. There also is intangible capital which includes accumulated stock of knowledge, skills, and know-how which may play quite as important a role in economic growth.²⁴

²² Interior Design 66 Workshop, University of California Extension/Berkeley. August 27-September 9, 1966

²³ Josephine Houck, Germantown, Pennsylvania. Part of a lecture given to students at Moore Institute of Art in 1939.

²⁴ Richard T. Gill, Economic Development: Past and Present. Englewood Cliffs, New Jersey, Prentice-Hall, Inc., 1963, p. 10-11.

Design talents are assumed intangible assets of the designer who starts his own business. Adequate financial assets are required to cover the cost of ownership or rental of an office or shop, taxes and license fees, inventory and stock, salaries and wages, purchase of equipment and material, utilities, stationery and printing, contingencies, and in addition there must be sufficient cash to cover all work in progress between client payments. Banks and other financial institutions make money available to start a new business or to expand an existing business. The proprietor is expected to have from two-fifth to four-fifths of the total capital required depending on the nature and prospects of the business.²⁵

A checking account at a bank is essential for anyone doing business because practically all business accounts are paid by check. The account is necessary for establishing credit with wholesalers and suppliers, and it is invaluable for establishing a credit rating. Jobbers and suppliers of merchandise and materials can offer much valuable assistance and will tell what their terms for purchase are. Credit agencies assign ratings to businesses which are of value to the designer. Dun & Bradstreet, Inc. is a general mercantile agency which lists almost three million enterprises in the United States and Canada. Lyon Furniture Mercantile Agency, New York City, is a special trade agency which confines reports

²⁵ Manual of Professional Practice, p. 92-93.

to manufacturers, wholesalers, and retailers of interior furnishings. Some parts of the United States rely heavily on the credit ratings of these firms and credence should be given to their findings.²⁶

The establishment of credit rating by one firm illustrates what is true for many designers. The firm of Ward and Ward was started in Colorado in 1947. It was strictly a contract design business which had its beginnings with a minimum bank account and no established credit rating. Fabric houses asked for the name of the bank and the size of the bank account for that initial start. Credit was allowed on a thirty day basis with a discount allowed for payment in ten days. The firm took advantage of the discount and thereby started its credit rating.

The firm moved to Las Vegas, Nevada, during December of 1949. New suppliers were used and credit had to be established once again. Copies of the letters received from seven of the suppliers are included in the appendix. One of the seven did not ask for any references. This was the Lun On Company, importers, located in San Francisco. One company, The S. M. Hexter Company of Los Angeles, requested a Dun & Bradstreet or Lyons listing if it was available. All asked for bank references and listings of firms with whom there were active accounts. Some of the firms enclosed forms for submitting financial statements.

²⁶ Ibid. p. 113-114

By prompt payment of bills the credit rating for this firm has improved and it reports that it rarely is asked to submit a financial statement to a supplier at this time. Financial statements are still requested periodically by banks, insurance agencies, and bonding companies.²⁷

Allocation of Job Costs

Job costs for the designer include all time and material spent on that job plus a percentage of the general overhead expenses, travel time, and expected profit. Estimated job costs must also allow for a margin of error in the estimate.

Job costs for the designer with a shop include all time, material, merchandise, workroom costs, sub-contract costs, delivery and shipping costs, plus a percentage allowance for general overhead expenses.

No formula was found which would apply to all businesses or to all jobs within the scope of one firm. In the shop where major income was derived from the sale of merchandise, the mark-up of that merchandise had to be sufficient to allow for all overhead and profit without over-pricing. Outstanding service and quality control justified higher mark-up.

Designers frequently computed charges on an hourly basis whether or not they billed in that manner. The hourly rate included the design time and all overhead expenses computed on an hourly rate.

²⁷Ward and Ward, Contractors-Designers, Las Vegas, Nevada. Copies of the letters cited are to be found in the Appendix, p.124.

In a lecture given before the New York Chapter of A. I. D. Isabel Barringer, A. I. D., presented her procedures for allocating job costs. Her conviction that good accounting practices are necessary was emphasized by the presence of her accountant, Seymour Laskow, CPA, who collaborated with her. Miss Barringer projected specific methods which she had found to be successful. She said, "In a well-run office, for every dollar that goes to salary, the second dollar must go for overhead, and the third dollar should be profit for the partners minus approximately 15 percent for promotion and direct costs not rebillable." She further explained that there should be a preliminary advance fee, usually 10 percent of the total estimate, and 15 percent advance for institutional or large jobs requiring very large purchases. Her suggested method of payment was to require one-third payment at acceptance of the budget or estimate, one-third when major purchase orders were made, and one third on completion or installation of the job, which she said was the hardest to get. She emphasized the importance of accounting for travelling expenses which could run high. There was some discrepancy in her procedures unless she did not expect payment when she submitted invoices to her client, for she said,

Monthly invoices should be submitted to the client showing the amount of time spent to date with a covering letter advising the client as to the state of completion of the job at that point. In the contract we always insert a statement that in the case of strikes, catastrophes of a manufacturer where we have no control, we are not responsible for non-delivery. In the supervision of any

painting or electrical work or such where there is no profit we work on an hourly basis -- no "upset" price.....All expenses for blueprinting, long distance telephone calls, transportation, petty cash, expenses necessary to the prosecution of the job are billed to the client monthly with an itemized statement. Note on travelling: on all private jobs we charge travelling expenses plus a per diem rate based on the above charges.....If contract is to be broken, drawings etc owned by designer and must be purchased by client. This is in the contract. If designer terminates, billed for work completed and will be completed under supervision.

Miss Barringer had other suggestions concerning job costs and accounting of these costs. She called them Tools of the Trade [her underline] and roughly listed them as follows:

1. Time sheet - work done, time and date, keep daily, compute weekly, bill monthly.
2. Copy of order. In triplicate for residential. Each item cost annotated, sent to client for signature and authorization to proceed. Billed for 50% of the order.
For commercial - purchase order sent to client accepting financial responsibility for merchandise.
3. Purchase order - institutional work. One for client, one for designer in client file. Vendor sends invoice to designer to OK for payment. Designer checks for accuracy and forwards to client for payment.
4. Invoice, in triplicate. Original to client, duplicate to bookkeeping department of designer, third to designer's file. Invoice is order to pay designer, which goes to

designer and client. Control is numerical, not by client's name. (Daybook keeps track).²⁸

In estimating hourly cost in relation to staff salaries, it is important to bear in mind that the annual salary is not earned in payment of 365 days work but 220 -- deducting legal holidays, two weeks vacation, and twelve legal sick days. Twelve is contingency.

Yearly overhead is prorated on the final balance sheet from the books set up by the accountant against the volume less purchase.

Note on Taxes: In the case of merchandise sold at retail the accountant should be specifically instructed not to use the gross sale but the gross profit, i. e. difference between wholesale and retail. Otherwise the designer will be forced to pay tax on moneys given to the vendor and not money earned by designer."²⁹

Labor and Material Suppliers

Isabel Barringer said that "as designers all we have is talent and time to sell."³⁰ A good portion of the talent required is knowledge of products and materials and where and how they are available. This involves knowing sources of products, materials, services, skills, and labor and further knowing the terms under which they may be obtained for designing, decorating, and furnishing interiors.

Location in large metropolitan areas provides access to the majority of suppliers required. Increased experience will

²⁸ Appendix, p. (Sample purchase orders in multiple color).

²⁹ Isabel Barringer, Interiors, CXXIV:8 (March, 1965), p. 144-145.

³⁰ Ibid.

provide a list of select suppliers. The yellow pages of the telephone directory are a good source of the names of area suppliers. Actual contact with and recommendations of a supplier will determine final selection. A sample of the many services and products available through the yellow pages is given in the Appendix with a partial listing of suppliers found in the Los Angeles telephone directory.³¹

Trade magazines carry both the advertisements and the editorials concerning what is available on the national and international market. All designers should subscribe to at least a few trade magazines and newspapers to keep informed. Magazines which may be of value are Interiors, Interior Design, Industrial Design, Antiques, Contract, Architectural Forum, Architectural Record, Architectural Design, Architecture/West, and Home Furnishings Daily, a trade newspaper. Some of the foreign magazines are excellent. Some magazines have directories of their advertisers which makes purchasing easier for the designer.³²

Designers located in smaller communities will be required to go to larger, regional metropolitan markets for much of their material. Current Sweet's Catalog and A. E. C. Catalog are helpful when trying to locate unfamiliar products.

³¹A selected list of services, suppliers, and materials from the yellow pages of the Los Angeles Classified Telephone Directory, Pacific Telephone Company. Published frequently and periodically.

³²Purchasing Directory of America's Great Sources, Interiors magazine publication is one example.

The "trade" includes manufacturers, wholesalers, distributors, suppliers, workrooms, and craftsmen. The safest and ultimately the most profitable procedure is to engage in business only with the most reputable tradesmen. This does not imply size but it does mean consistent quality of workmanship, craftsmanship, material, and business ethics. It is poor practice to deal with an unknown tradesman without making personal investigation or accepting favorable recommendations from several fellow professionals, if they will relinquish the information. Reputable wholesalers protect the designer, do not sell directly to the client, and do not sell the same specialty merchandise to other designers and merchants in the vicinity for a certain time limit, usually thirty days.³³

When selecting the artisan, who may be an upholsterer, draper, paper hanger, painter, cabinetmaker or finisher, select the individual or firm who is a skilled craftsman, has business integrity, and is financially stable for best results. The contract for work done with these artisans is no more valid than the integrity and skill of the firm, so it is important that caution and care be exercised here. Artisans are usually contracted locally with the exception of a few specialties, wherein the manufacturer may supply or designate his own craftsmen for installation. If at all possible visit the shop or workroom to appraise the facility, type and quality

³³ Manual of Professional Practice, p. 112.

of work done, how handled, thoroughness of the craftsman's review of specifications. Obtain information on bank references, previous work done for other designers, whether or not it is a union shop, name of his major supply house. This supplier may also be a good source of information concerning the shop's credit.³⁴

Under "Financial Aspects of the Business" it was pointed out that it is important for the designer to establish his own credit rating for perusal of clients, financial institutions, and persons or firms with whom he does business. It is at least as important that the designer establish the credit reliability of the prospective client and tradesmen.³⁵

All requests and applications for merchandise and work to be done should be consummated with a written "purchase order". Frequently orders are made verbally or by telephone but they should be promptly followed by a written purchase order which has an assigned number. Purchase order numbers follow in sequence of purchase and not by job number. The purchase order should carry the name or number of the job or client to simplify bookkeeping and accounting.³⁶ The supplier notes the purchase order number on the invoice supplied with merchandise delivered. This constitutes a contract between

³⁴ Ibid.

³⁵ Ibid.

³⁶ Ibid.

the supplier and designer. A purchase order which does not denote the total cost or the unit cost indicates an open order and makes the designer responsible for whatever charge is made. If the supplier gave a quotation, which in turn is noted on the purchase order, and the supplier fills the order, that price holds even though it might have been in error. If the quote was in error, the designer should be so advised before filling the order.

Each designer will select his own order forms and other forms necessary to conduct his business efficiently. Rough schematic forms are illustrated in the Appendix.

In some areas where unionization is strong, careful consideration should be given by the designer before using non-union labor if it constitutes infringement upon union negotiations and arbitrations. Adherence to these policies is a safeguard toward the smooth operation of a business with its union affiliations.

A designer doing contract work frequently is required to sub-contract portions of work to other trades. If he is in effect the general contractor for all work, he is responsible for the sub-contract work. It is necessary for him to select sub-contractors carefully with due regard for their financial stability, quality of workmanship, and general adherence to business details necessary. With experience he will ultimately have a selective list of sub-contractors who will perform work satisfactorily to his specifications.

CHAPTER IV

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

Industry has expressed concern that student interior designers are receiving little or no training in business practice and procedure. Business practices of professional interior designers and sources of additional business information that would be helpful to the designer were investigated.

Summary

Interior designers were found to be in many diverse types of design business that were classified in three general groups, (1) design, (2) contract-design, and (3) merchant-design (designer with a shop). Business organizations considered were proprietorship, partnerships, and corporation; and very few designers had large firms. Designer services covered all aspects of design, client relationships, and business procedures. The interdependency of these services requires utmost attention to each detail for ultimate and complete success.

Costly business failures are a waste of human talent, time, and effort. Bankruptcy consumes ninety percent of all businesses before they have existed ten years, and this failure is directly related to poor business practices. Industry has rebelled against the inexperienced designer who is compelled to experience an expensive trial and error period while

learning business methods even though his design talents may be considerable. The Interior Design Educators Council has recommended that the student be assigned four to five percent of his course work in professional practice, but there was no indication that the student is getting that much exposure to business. A few students in the New York City area enjoy a fine apprenticeship program, but there is no evidence that this is a universal practice. The students who have gone into industry have not impressed the industry with their knowledge of business.

The list of business practices selected for this study was extensive. Many sources for additional business information were cited in the bibliography and appendix. The study suggests questions that need to be answered. Have sufficient sources of business information been given to help the beginning interior designer? Could a list be so selected and so refined that it would be a brief resume of most of the business information the designer would require?

Financial success was dependent on many things which included sound business practices. The interior designer is a professional person who must affiliate and associate with fellow interior designers as well as architects, engineers, environmental planners, and other professional people. A satisfied client was paramount for continued design success, because the client, consciously or unconsciously, influenced

potential clientele. Total design service was a business arrangement which involved expert human relationships, perhaps psychology, to fulfill client requirements without altercation. Complicated business procedures were involved when the interior designer was required to furnish materials, or when he was required to contract services. Today's business revolves in a sophisticated economy and the designer who is also a contractor or a merchant must be an active participant in this economy.

Increasingly the interior designer's client is a representative of an entity such as a large corporation, a bank, a school board, a government agency, a municipality, or an industrial complex. This client is well-schooled in business procedures. A basic comprehension of and adherence to sound business principles was found to be an important function of the total designer services rendered to a knowledgeable client. Successful designers have accepted this responsibility and provided the client with a total interior environmental design solution that included adherence to all involved legalities and the selection of materials and services of the highest quality and design execution within an allowed budget.

Designers quoted in this study included eighteen who have been recognized by the trade journals as successful contributors to the profession. In addition, the study included work of three national interior design professional organizations, recommendations of the Interior Design Educators

Council, procedures considered by the sixty-three recognized interior designers who attended Interior Design 66, and the statements of at least six other experienced professional people who offered suggestions. Indirectly, others were involved. Most of the information was accumulated from the trade journals, the American Institute of Designers' Manual of Professional Practice and the American Institute of Architects' Handbook of Professional Practice.

The selected designers handled large sums of money, needed operating capital, and were required to buy and sell materials and services. Whether the success of these designers has been due to extraperceptive design and business acumen or whether it has been because of intensive training, apprenticeship, and experience was not learned. Some did indicate that they had had extensive apprenticeship training. What other business exposure they had had was not learned.

Conclusions

Sufficient information is available to give students training in basic business procedures and practices. For the growth and stature of this profession, an expedient and concerted effort should be made to establish, as far as possible, standard business practices to comply with the demands of industry and the needs of inexperienced interior designers. There is an urgent need for the student designer to be exposed to business law and further exposed to business practices,

systems of ordering, and observation and participation in the action of making. Many services require legal clarification.

Recommendations

Professional interior designers and interior design educators should accelerate efforts toward the prompt establishment of standard business practices. Schools should include business and professional practice in the undergraduate curriculum, or if such courses exist, they should be upgraded to meet the impact and acceleration of sophisticated business practices in the industry. Expedient measures should be taken to provide a selective apprenticeship program for the student. This program should be structured with the cooperation of experienced interior designers and those in the industry who practice acceptable business procedures. Business law should be a course requirement to acquaint the student with legal counsel available and sometimes required.

SELECTED BIBLIOGRAPHY

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A. BOOKS

Architect's Handbook of Professional Practice. Washington, D. C.: American Institute of Architects, 1964.

This handbook is published for the membership of the American Institute of Architects and is the guide for all of their business and professional work. It contains many sample forms to be used. It is to be found in many public libraries. Although it is written specifically for the architect, it has many useful sections for the interior designer.

Aurner, Robert R. and Paul S. Burtress. Effective English for Business. Chicago: Southwestern Publishing Co., 1962.

Basic principles of business English. Special applications for style, simplicity, sales messages, credits and collections, with a reference guide. Emphasis on courtesy, completeness, clearness, correctness, conciseness, and concreteness.

Ball, Victoria. Opportunities in Interior Design and Decorating. New York: McMillan, 1963. (Vocational Guidance Manuals)

Includes discussion of the development of the work, future outlook, qualifications, preparation, opportunities, how to get started, and covers some related fields. Good for counselling.

Anderson, Ronald Aberdeen. Business Law. Universal code volume. 7th ed. Cincinnati: Southwestern Publishing Company, 1964

Bach, George Leland. Economics: An Introduction to Analysis and Policy. 5th ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1966.

Written by the Professor of Economics at Carnegie Institute of Technology. Covers the political economy here and abroad relative to business, government, and poverty.

Ball, J. and C. B. Williams. Report Writing. New York: The Ronald Press Company, 1955.

A guide for business men and engineers. There are chapters on the organization of facts and ideas, writing and revising, language, style, and visual aids. There are brief, well-selected supplemental readings by other authors which are pertinent and interesting.

Bass, Stanley M. Leadership, Psychology and Organizational Behavior. New York: Harper and Brothers, 1960.

A psychological look at management.

Brown, Stanley M. editor. Business Executive's Handbook, 4th edition. New York: Prentice-Hall, 1957.

A reference book for management with policies and procedures. Used as a reference in this study.

Bursk, Edward C., Clark Donsedt, Ralph W. Hidy. The World of Business. New York: Simon and Schuster, 1962. 4 volumes.

A selected library of the literature of business from the accounting code of Hammurabi to the 10th century "Administrator's Prayer." Edited with commentaries and notes by three members of the faculty of the Harvard Business School.

Coman, Edwin T. Sources of Business Information. Berkeley and Los Angeles: University of California Press, 1965.

Contains much basis information and means for obtaining hard-to-find statistics and special information. Has a bibliography for each topic. A helpful book to own.

Craf, John Riley. Introduction to Business. New York: Henry Holt and Company, 1957.

Covers major areas of American business and how it is organized and operated. Vocational information is included.

Dale, Ernest. The Great Organizers. New York: McGraw-Hill Book Company, Inc., 1966.

A review of the success of some big companies. Emphasizes that the social, political and government organizations we belong to are important for business success.

Dickinson, A. Litchard. Filing and Finding in the Office. Elmhurst, Illinois: The Business Press, 1964.

A well illustrated book, simple language, which might be of assistance to the organization of an efficient office.

Dyer, Frederick Charles, Ross Evans, Dale Lovell. Putting Yourself over in Business. Englewood Cliffs, New Jersey: Prentice-Hall, 1957.

The best book read on business relationships. Worthwhile reading even for the experienced person. Written in an easy style, suitable for the student.

Folts, Franklin E. Industrial Management: Text, Cases, and Problems. New York: McGraw-Hill Book Publishing Company, Inc., 1963.

Some theory, mostly cases and problems. Interesting reading but too much for general information on short order. Folts is Professor of Industrial Management, Emeritus, Graduate School of Business Administration, Harvard University.

Garrett, Thomas M. Business Ethics. New York: Appleton-Century Crafts Division of Meredith Publishing Company, 1966.

A paperback covering the moral and legal ethics of business, relationships within and outside of the firm, includes right to work section.

Gates, James, and Harold Miller. Personal Adjustment to Business. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1958.

Covers selecting a career, employer's appraisal, appearance, how to get a job, applications, interviews, the first six months on the job, how to prevent failure, etc. Section on going into business, skills, when, rewards, personal qualifications and financial qualifications.

Gill, Richard T. Economic Development: Past and Present. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1963.

Broad coverage of economics with section describing capital requirements of business.

Greer, Michael. Your Future in Interior Design. 1963.

Stresses the training and knowledge required for skill in participating in this creative field. For the student.

Forrester, Gertrude. Occupational Literature. An Annotated Bibliography. New York: H. W. Wilson Company, 1964.

Good coverage for the counselor or student.

Farnum, Royal E. The Fine and Applied Arts. Bellman Publishing Company. 1958.

Discussion of the kinds of work, qualifications, requirements, and opportunities for the designer and artist. Includes forty occupations and backgrounds.

Handbook of Business Forms. Compiled by the editorial staff. New York: Prentice-Hall, Inc., 1953.

Illustrated.

Holden, Donald. Art Career Guide. New York: Watson-Guptill Publications, Inc., 1961.

Broad discussion of the field of art, with section devoted to interior design.

Howard, Bion S., and Miller Upton. Introduction to Business Finance. New York: McGraw-Hill Book Company, Inc., 1953.

A general review of the subject of business finance. Covers credit loans, intermediate and long-term financing.

Kappel, Frederick R. Vitality in a Business Enterprise. New York: McGraw-Hill Book Company, 1960.

A series of lectures given at the Graduate School of Business of Columbia University by the president of the American Telephone and Telegraph Company. Mr. Kappel said that there is very little in the literature of management which has helped him.

Keller, Isaac Wayne. Management Accounting for Profit Control. New York: McGraw-Hill Book Company, Inc., 1957.

Accounting for material and labor. Standard costs, administration, buying, leasing, and other managerial aspects.

Knox, Frank M. The Knox Standard Guide to Design and Control of Business Forms. New York: McGraw-Hill Book Company, Inc., 1965.

Expresses continued need for standard business accounting because electronic data processing has not eliminated the need yet.

Koontz, Harold, and Cyril O'Connell. Principles of Management. 3rd ed. New York: McGraw-Hill Book Company, Inc., 1964.

Textbook on management written by Koontz of the Graduate School of Business Administration, University of California at Los Angeles. Contains principles, analysis, planning, policy-making-organizations, staffing, communication, control and techniques.

Lasser, Jacob Kay. How to Run a Small Business. New York: McGraw-Hill Book Company, Inc., 1963.

A guide for the small business man on management, financing, taxes, accounting, insurance, office management, promotions. Sections on how to go into business, managing and operations, retailing, wholesaling, manufacturing, credit, installment selling, inventory, cost control, etc.

Lewis, John P. Business Conditions Analysis. New York: McGraw Hill Book Company, Inc., 1959.

Considered an outstanding book in the field of general business but found to be much too involved for the layman.

Lusk, Harold P. Business Law: Principles and Cases. 6th ed. Homewood, Illinois: Richard D. Irwin, Inc., 1963.

Occasionally in business it is helpful to read about similar cases in law. This could be useful for that purpose.

Milroy, Robert R. and Robert E. Walden. Accounting Theory and Practice - Introductory. Cambridge, Massachusetts: Riverside Press, Houghton Mifflin Company, 1960.

Considered an excellent textbook by some. Written by Professor of Accounting, School of Business, Indiana University. Gives basis of accounting, entries, three business types and accounting for each. Includes investments, payroll, taxes.

Ruffner, Frederick R., Jr., editor. Encyclopedia of Associations, Vol. 1, National Organizations of the United States. Detroit, Michigan: Gale Research Company, 1964.

A complete listing of professional, trade, and other associations which makes it easy to find where the national headquarters are located and what the membership is. Found in most libraries.

Simon, Herbert A. The New Science of Management Decision. New York: Harper and Brothers, 1960.

A lecture approach to the subject of man versus the electronic age. Short.

Samuelson, Paul E. Economics: An Introductory Analysis. 5th ed. New York: McGraw-Hill Book Company, Inc., 1961.

Used as an economics text. Explains the accounting process, business organization, and income.

Spengler, Edwin H. Ph.D. and Jacob Klein, Ph.D. Introduction to Business, 4th ed. New York: McGraw-Hill Book Company, Inc., 1955.

Introduction to modern business with a good reference list. Covers organization, finance, industrial management, accounting, taxation, insurance, industrial and economic planning.

Spriegel, William R. Principles of Business Organization and Operation. 3rd ed. Englewood Cliffs, New Jersey: Prentice-Hall Inc., 1960.

Lengthy but good. Gives the accounting equation, methods, etc. Covers business organization, ownership, starting a business, financial aspects, risks, personnel, etc.

Taintor, Sarah Augusta. The Secretary's Handbook. New York: The Macmillan Company, 1958.

A guide for the secretary giving information on letter-writing, usages, telegrams, cables, English usage, spelling, minutes, resolutions, etc.

Weimer, Arthur M. Business Administration: An Introductory Management Approach. Rev. Ed. Homewood, Illinois: Richard D. Irwin, Inc., 1962.

A basic text, easy to read, good bibliography. Covers types of business firms, organization, accounting, economic guides, capital, location of business, legal aspects of business, government controls, international business. Each chapter preceded by an outline of the chapter and there is a summary at the end of the chapter, also suggested readings.

Wilcox, Clair. Public Policies Toward Business. Rev. ed. Homewood, Illinois: Richard D. Irwin, Inc., 1960.

Much detail including historical review of government and political conditions affecting business.

Wright, David McCord. Democracy and Progress. New York: Macmillan Company, 1948.

A paperback book on capitalism.

Wyatt, John and Madie B. Wyatt. Business Law: Principles and Cases. 2nd ed. New York: McGraw-Hill Book Company, Inc., 1963.

Broad coverage of business law.

B. PERIODICALS

Allen, Barbara J. assoc. ed. "Profiles of Consultant Design Offices: Henry Dreyfuss." Industrial Design, Vol. 13, No. 6 (June, 1966), 46-48.

An article concerning a few selected design offices and some of the problems they have. It was said, "No matter how well-trained and educated the new designers are, the office finds that it takes about six months for the inexperienced designer to become a useful member."

Barrows, Stanley. "Future of Interior Design Education in the Age of Specialization," Interior Design, (July, 1962).

In this article about teaching business practice to students Mr. Barrows had this to say about the Parsons School objectives:

"To acquaint them with business practices based on standard business procedures. The students are made to realize that a visual presentation is just a part of the total problem of selling the idea. A good verbal presentation is an enormous asset to the interior designer... To help them acquire a knowledge of materials and sources through visits to factories, showrooms, and special exhibits...."

"Business methods vary greatly from firm to firm and it would seem better for the student to learn these through experience with his future employers...."

"The Business of Running a Business," Interiors, CXXV:2, September, 1965, p. 141-142.

Concerning Ward Bennett who works alone in his design business, limits clients, has a telephone answering service and a secretary one afternoon per week. Has no publicity nor promotional services and no overhead beyond his own expense.

Bennett, Ward. (concerning) "The Business of Running a Business," Interiors, CXXV:2, September, 1965, p. 141-42. see "The Business of Running a Business".

Draper, Elizabeth. (concerning) "The Business of Running a Business," Interiors, CXXV:2 September, 1965, p. 143.

Elizabeth Draper explains how her business, which is 50% residential and 50% contract operates. She is definite in her statements about the proper size of a designer's business, how it should be run, importance of publicity through "word-of-mouth" and other business aspects.

(editorial) Interiors, (April, 1967), p. 99.

A discussion of apprentice training in interior design.

Lee, Tom, Ltd. (concerning) "The Business of Running a Business," Interiors, CXXV:2, September, 1965, p. 142.

One of the few design firms which retained a public relations firm on a full-time basis. Gave the basis for charging.

"Licensing", Interiors, (June, 1967), p. 20.

A discussion of some of the latest developments in the profession toward universal state licensing laws.

Malino, Emily, Associates. (concerning) "The Business of Running a Business," Interiors, CXXV:2, (September, 1965) p. 141.

Business 10% residential the rest commercial and industrial. Explanation of client relations, contracts, publicity, division of time, and fees.

Planned Office Interiors. (concerning) "The Business of Running a Business," Interiors, CXXV:2, September, 1965, p. 143, 217-18.

Spends half of the time on business and administration.

"Corporation Staff Designers: Index Studies on Nine Corporation Staff Designers," Interiors, CXXV:12, July, 1966.

In addition to employment as designers per se, designers were found to be employed by many corporations in business other than design. Records were kept by store bookkeeping departments. Business paperwork, very difficult, voluminous proportions. Contracts and the terms of contracts often required.

Draper, Dede. "The Professional Speaks Out," Interior Design, July, 1964.

The business of practicing interior designers, handlers of vast sums of money, specifying costly materials and furnishings, requires business acumen and judgment.

"For Your Information," Interiors, CXXVI:9, April, 1967, p. 8

Art schools and universities seeking qualified teachers have requested graduate training to meet educational requirements. Pratt Institute, Brooklyn, N. Y. has just launched such a graduate program leading to Master of Science.

"For Your Information," Interiors, CXXVI:9, April, 1967, p. 8.

"Jobs and Careers." Full time employment in the New York City area is being offered to graduating interior design students of that area before they actually graduate. This is in keeping with the growing trend toward apprenticeship for graduates so that they will be trained on the job both in practice of design and business practice.

Freedgood. "Odd Business, This Industrial Designer." Fortune, February, 1959.

A description of the world of business for an industrial designer.

Gray, A. W., "Time in the Life of a Contract," Purchasing, 60:90-1, March 24, 1966.

Some considerations for the contract document.

Gueft, Olga. (editorial) Interiors, CXXVI:9, April, 1967, p. 99.

Graduating interior designers are not getting jobs as fast as those in other professions. It may be due to his untried and unproven design ability and his lack of business practice.

Gueft, Olga, ed., "The Contract Bandwagon and Intercon I," Interiors, CXXVI:4, November 1966, p. 87.

A great change has come over the interiors field as shown by the organization of special markets and special conferences aimed specifically at the contract industry. Some design schools are organizing contract courses.

Hosansky, Eugene A. "Pragmatic Approach to Design - Walter Dorwin Teague Associates," Industrial Design. Vol. 13, No. 6, June, 1966, p. 54-59.

Dcl Giudice of this firm says that a designer is a potential manager in that firm. He must be able to work as a team and yet be able to assume end responsibility when required.

Lerner, Lawrence and John Anderson, editorial contributors, "The Educational Problem," Contract, April, 1965, p. 69-71.

Stresses that the student is given little or no training in business which is necessary knowledge for contract-design work.

Murphy, John C. "The Professional Speaks," Interior Design, July, 1964.

Customer relations and preparation of estimates are two areas in which beginners need further training. Interior design schools should also offer business courses including typing and stenography for women.

Paul, Dorothy. "The Professional Speaks," Interior Design, July, 1964.

The student designer should have more training and practical experience with shopping and budgets.

Lynch, D. O. Supervisory Management, 11:20, April, 1966.

What the supervisor should know about contracts. Is it legally hindring?

Milroy, Robert R. "The Small Business Corporations: Proceed with Caution." Business Horizons, Summer, 1960, pp. 97-109.

An act of Congress passed in 1958 made special provisions for smaller business corporations whereby they could be taxed as partnerships. Corporations set up in this way are known by various names such as an "Electing Corporation," A "Tax Option Corporation," a "Subchapter S Corporation," but most frequently a "Small Business Corporation."

"The Professional Speaks," Interior Design, July, 1964.

Blair Catterton, Lee Chambers, John C. Murphy, Richard Greife, Dorothy Paul, Dede Draper, and Mildred Deutsch tell what they believe is lacking in the training of the graduating interior designer.

"Professional Standards, Ethics, and Business Practices," Kansas Business Review, Vol. 13, No. 3 (March 1960) p. 2-7.

Pertinent information on business by the University of Kansas.

Shannon, J. R. "Tips to Writers from Seventy-five Editors of Educational Periodicals," Journal of Educational Research, 44, 1950, p. 241-68.

Art in writing for educational periodicals.

"Updated Apprenticeship," Home Furnishings Daily, July 24, 1964.

Apprentices were asked what seemed most valuable to them after six weeks of apprenticeship in New York. They stressed client relationship, business procedures, quick decisions, and working with products.

C. UNPUBLISHED

Interior Design 66, University of California Extension/Berkeley, August 27-September 9, 1966. (A mimeographed program and also mimeographed proceedings in which the opinions and convictions of educators of and interior designers were expressed and studied. One of the most recent efforts toward the "business" of interior design).

Interior Design Educators Council, (Purdue University, May 12-15, 1966) mimeographed proceedings which included recommendations concerning business practice in interior design.

APPENDIX

APPENDIX

A. SOURCES OF BUSINESS INFORMATION

Professional Organizations and Associations for Interior
Designers and Related Professions

American Institute of Architects, headquarters: Washington,
D. C.

American Institute of Designers, headquarters, New York City.
(Formerly American Institute of Decorators.)

American Institute of Landscape Architects, headquarters,
Los Angeles, California

American Society of Landscape Architects, headquarters,
Washington, D. C.

Home Improvement Council

Home Lighting Institute

Interior Designers Education Council

National Home Fashions League

National Society of Interior Designers

Painting and Decorating Contractors of America, headquarters,
Chicago, Illinois

Society of American Registered Architects, headquarters,
Houston, Texas

Directories and Registers for Persons, Firms, Organizations,
and Biographies

The following list is for persons and firms:

Directory of Directors. (British). London: Thomas Skinner and Company. Annually.

Moody's Manual of Investments. American and Foreign. New York: Moody's Investors Service. Annually with continuous revisions.

Poor's Register of Directors and Executives. New York: Standard and Poor's Publishing Company. Annually. There is both a complete directory and a geographical directory available in libraries.

Rand McNally Bankers Directory. Chicago: Rand McNally and Company. Semi-annually.

Standard Corporation Records. New York: Standard and Poor's Corp. Continuously revised.

Telephone Directory. Local telephone companies have directories for most major cities in the United States.

Additional information can be obtained from banks, Better Business Bureaus, Chambers of Commerce, advertising listings of companies in periodicals, Sweet's catalogs, and similar other places.

For general biographical information, the following may be helpful:

Moore's Who's Who in California. Los Angeles: John M. Moore, 1959.

Who's Who. New York: Macmillan. Annually.

Who's Who in America. Chicago: A. N. Marquis Company. Biennially.

Who's Who in Latin America. 3rd ed. Chicago: A. N. Marquis Company, 1945-51.

Who's Who in the West. 7th ed. Chicago: A. N. Marquis Company, 1960.

Directories of firms are available in libraries and banks. Credit ratings are available under some circumstances, usually at banks. A few sources are listed:

Dun and Bradstreet. Million Dollar Directory. New York: Dun & Bradstreet, Annually with monthly supplements.

This listing of large firms and their directors is available in libraries and banks and with some firms. Part on one's business banking service can supply this information when required.

Kelly's Directory of Merchants. Manufacturers and Shippers. London: Kelly's Directory, Ltd. Annually.

With the trend toward more and more international trade, there are times when it is beneficial to know the business address and pertinent facts about foreign merchants.

Lyon Furniture Mercantile Agency, Lyon Red Book. New York: Semi-annual.

Reports confined to firms dealing with interior furnishings.

MacRae's Blue Book. Chicago: MacRae's Blue Book Company. Annually.

Plant Purchasing Directory. Chicago: Conover-Mast Publications. Biennially.

Thomas' Register of American Manufacturers. New York: Thomas Publishing Company. Annually. (Several volumes)

A comprehensive listing of American manufacturers, alphabetical listing, listing by type of product. Addresses and other information included.

There are times when it is useful to obtain the names of associations and organizations. There are several directories available in most libraries:

Directory of National Associations of Businessmen. Washington, D. C.: Compiled by C. J. Judkins, Office of Technical Services. 1961 (It is reported that a new basic directory is in process)

Encyclopedia of Organizations. Detroit, Michigan: Gale Research Company. Covers professional, trade, university, educational and other associations.

Industrial Research Laboratories of the United States Including Consulting Research Laboratories. 11th ed. Washington, D. C.: National Research Council, 1960.

Scientific and Technical Organizations of the United States and Canada. 7th ed. Washington, D. C.: National Research Council, 1961.

Trade Periodicals

Antiques.

Architectural Design, London: Standard Catalog Company, Ltd.

Architectural Forum. American Planning and Civic Association.

Architectural Record. New York: McGraw-Hill, Inc.

Architecture/West. Seattle, Washington: Construction Publications.

Contract. New York: H. M. S. Publications, Inc., division of Gralla Publications.

Industrial Design. New York: Whitney Publications, Inc.

Interiors: New York: Whitney Publications, Inc.

Interior Design. New York: Interior Design Division, Whitney Communications Company.

Interior Design and Contract Furnishings. London: Business Journals, Ltd.

Many domestic home furnishings magazines.

Many foreign magazines and trade journals for design, architecture, and related fields.

Newspapers Covering Business in General

Home Furnishings Daily. New York: Fairchild Publications, Inc., Daily.

National Observer. New York: Dow Jones and Company, Inc., Daily.

New York Times. New York: New York Times Company, Daily, weekly, or Sunday.

Wall Street Journal

Local and metropolitan newspapers, daily, weekly, or Sunday.

Magazines Covering Business in General

Barron's. New York: Barron's Publishing Company, Inc. weekly.

Business Literature. Newark, N. J.: Public Library of Newark N. J., Business Branch, Monthly.

Business Week. New York: McGraw-Hill Publishing Company, Weekly.

Newsweek.

Monthly Labor Review. Washington, D. C. United States Bureau of Labor Statistics, United States Superintendent of Documents, Government Printing Office, Monthly.

Survey of Current Business. Washington, D. C.: United States Superintendent of Documents, Government Printing Office, Monthly.

United States Government Publications Monthly Catalog. Washington, D. C.: United States Superintendent of Documents, Government Printing Office, Annual purchase or subscription.

United States News and World Report. Washington, D. C.: U. S. News and World Report, Inc., Weekly.

Time. Chicago, Illinois: Time, Inc., Weekly.

Fortune. Chicago, Illinois: Time, Inc., Monthly.

Sources of General and Varied Information

Funk and Wagnall's College Standard Dictionary of the English Language. New York: Funk and Wagnalls Company, 1963.

Definition of words, spelling, pronunciation, and also a gazeteer with population figures of the United States, foreign countries, and ranking cities. Definitions of commonly used foreign phrases may be useful.

The New Information Please Almanac, Atlas and Yearbook. New York: Simon and Schuster. Annually.

Tables of statistics on all types of activity both national and international, resume of new laws, a chronology of the year's events, a discussion of major political problems of the year, social and business problems are covered concisely. Federal government prime sources are used to substantiate the information.

New York World-Telegram. The World Almanac and Book of Facts. New York: New York World-Telegram. Annually.

This is a time-saving publication which contains tables of statistics on all type of activity, resumes of new laws and a chronology of events for the year.

National Industrial Conference Board. The Economic Almanac. New York: Newsweek, Inc. Annually.

Statistics and information not to be found in the Statistical Abstract of the United States may be found here and the information may be more current. There is a "Glossary of Selected Terms" which defines terms in current use.

Survey of Current Business. Washington, D. C., United States Superintendent of Documents, Government Printing Office. Monthly.

United States Bureau of the Census. Statistical Abstract of the United States. Washington, D. C.: Government Printing Office. Annually.

Statistics collected over a period of years are to be found here. The list is broad and accurate for business indices.

Webster's New World Dictionary of the American Language,
College Edition. New York: The World Publishing Company,
1960.

Definitions of words, spelling, pronunciation, and
synonyms are given. There is a section listing United
States and Canadian schools of higher learning, a sec-
tion for weights and measures and other information.

Sources of Information Concerning the National Business Status

Annual Federal Budget

Federal Reserve Board's index of industrial production

Foreign Trade Impact Studies, by states, U. S. Depart-
ment of Commerce

Gross National Product reports

Migration of population by states and regions

President's economic report (annual)

President's report of Council of Economic Advisors

Small Business Investment Act 1958.

State business reviews such as Kansas Business Review.
University of Kansas

Sources of Interior Design and General Business Information

Accountant's Handbook

Barron's

Board of Governors of the Federal Reserve System,
Federal Reserve Bulletin, (monthly)

Business and financial section of daily newspaper

Business Week

The Commercial and Financial Chronicle

Department of Commerce: Survey of Current Business
(monthly)

Fortune

Government: Statistical Abstract of the United States

Home Furnishings Daily

Libraries; dictionaries, encyclopedias, handbooks, and
manuals

Moody's Manual of Investments

National Observer

New York Times (daily and weekly)

Personnel Handbook

Wall Street Journal

B. A TYPICAL LISTING OF BUSINESSES, SERVICES, TRADES,
AND ORGANIZATIONS RELATED TO THE FIELD OF INTERIOR
DESIGN AS FOUND IN THE LOS ANGELES YELLOW PAGES OF
THE PACIFIC TELEPHONE AND TELEGRAPH COMPANY

Accoustical contractors
Accoustical supplies
Accoustical materials
Air conditioning contractors
Air conditioning equipment and suppliers
Antiques, dealers
Antiques, repairing and restoring
Architects
Architects' supplies
Architectural illustration
Art galleries
Art goods - repairing
Art goods - retail
Art goods, wholesale and manufacturers
Art goods, flowers
Artificial flower suppliers
Artists - commercial
Artists - fine arts
Artists' materials - retail
Artists' materials - wholesale and mfrs.
Associations
Awnings
Banks
Bar fixtures
Bathroom fixtures and accessories
Bedding
Beds - disappearing
Bedspreads
Blue printers
Blue printing equipment & suppliers
Brass
Brazing
Brick - common, face, etc.
Brick - used
Builders hardware
Building designers
Building materials
Business and industrial arbitration
Cabinet makers
Canvas products
Canvas - wholesale and manufacturers

Carpenters
Carpet, rug and upholstery
Carpet - cleaners
Carpets and rugs - dealers
Carpets and rugs - distributors
Carpets and rugs - dyers
Carpets and rugs - Layers
Ceilings
Ceramics
Chair caning
Chair - wholesale and manufacturers
Chinaware
Cleaners and dyers
Closets and closet accessories
Contractors
 Alteration
 Building, general
 Marine
 Masonry
Curtain and blanket cleaners
Curtain, retail, wholesale, manufacturer
Cushions
Cutting room equipment and supplies
Designers
Drafting Room Equipment
Draftsmen
Draperies, retail, wholesale, manufacturers
Drapery and curtain fixtures
Drapery fabrics - wholesale and manufacturers
Drapery installation
Drapery trimmings
Drawing materials
Dry wall contractors
Dyers - industrial
Electric contractors
Electric equipment, wholesale and manufacturers
Elevators
Embroidery
Engineers - consulting
 cost
 electrical
Experimental work
Exporters
Factors
Financing
Fireplace equipment dealers
Fireplace equipment wholesalers and manufacturers
Floor laying, refinishing and resurfacing
Floor materials
Furniture - custom made
Furniture, manufacturers and wholesalers

Wood turning
Wood graining and finishing
Woodworker

C. SAMPLE BUSINESS FORMS

Business forms required by individual firms vary considerably and they are usually designed for specific purposes. Samples of an invoice, multiple estimate sheets, sales slip and a purchase order are submitted to show some of the information which may be required. Any good office supply or printing contractor can furnish handsome business forms for any purpose. Electronic data processing has changed the requirements. For immediate identification, the firm name should appear on all forms.

MOORE INSTITUTE OF ART, SCIENCE AND INDUSTRY

FIRM NAME

INTERIOR DECORATION

BROAD & MASTER STS.
ADDRESS

PHILADELPHIA
CITY-STATE-ZIP

STEVENSON 2242
TELEPHONE/CABLE

ESTIMATE FOR PROPOSED WORK FOR

Miss J. Hawk
Blank Street
Germantown, Pa.

QUANTITY

DESCRIPTION

COST/FEES

make hang
Design and make 2 pr. over-drapes, using
Chintz, as selected with ~~Cord~~ pole
to match drapes. - are 11 ft. to have
French plants - or ~~curtains~~ ~~and~~ ~~frill~~

Schematic Sample
COPIES AS REQUIRED

Respectfully submitted
Moore Institute
by Jacqueline Bailey

\$35.65

TAX

PERTINENT CONDITIONS

Condition: Due to labor conditions this
estimate is for immediate acceptance only.
All agreements are contingent upon strikes,
accidents and other delays and conditions
or beyond our control.

TOTAL

INTERIOR DECORATION

BROAD & MASTER STS.

PHILADELPHIA

STEVENSON 2242

ESTIMATE FOR PROPOSED WORK FOR

Miss J. Hump
Blauk Street
Germantown, Pa.

make hang
Design and ~~make~~ 2 pr. over-drapes, using
Chutz, as selected with cover pale
to match drapes. - are there to have
French plants - on lining and full

Respectfully submitted
Moore Institute
by Jacqueline Raulz

Condition: Due to labor conditions this
estimate is for immediate acceptance only.
All agreements are contingent upon strikes
accidents and other delays unavoidable
or beyond our control

\$35.65

INTERIOR DECORATION

BROAD & MASTER STS.

PHILADELPHIA

STEVENSON 2242

ESTIMATE FOR PROPOSED WORK FOR

Mrs J. Hawk
Blank Street
Germantown, Pa.

make hang
 Design and make 2 pr. over-drapes, using
 Chutz, as selected with cover pole
 to match drapes. - are three to have
 French pleats - or lining and full

Respectfully submitted
 Moore Institute
 by Jacqueline Bailey

\$35.65

Condition: Due to labor conditions this
 estimate is for immediate acceptance only.
 All agreements are contingent upon strikes,
 accidents and other delays unavoidable
 or beyond our control.

PURCHASE ORDER No. 2

NAME OF FIRM

MOORE INSTITUTE OF ART, SCIENCE AND INDUSTRY

BROAD and MASTER STREETS -- PHILADELPHIA

TEL. STEVENSON 2242

DATE Mar. 11 '39

TO

Delumacher.
Chestnut Street
Philadelphia, Pa

10 yds rose-green chutz No. 742
@ 1.25 36" wide

SCHEMATIC SAMPLE
COPIES AS REQUIRED

QUOTED COST NOTED

DELIVERY CONDITIONS
SHIP TO

Mr. Bailey
Chestnut St.
Philadelphia, Pa

and Post. Ins.

FIRM NAME

MOORE INSTITUTE OF ART, SCIENCE AND INDUSTRY

AUTHORIZED SIGNATURE

BY

Jacqueline Bailey

PURCHASE ORDER No 2

MOORE INSTITUTE OF ART, SCIENCE AND INDUSTRY

BROAD and MASTER STREETS -- PHILADELPHIA

TEL. STEVENSON 2242

DATE Mar. 11 '39

TO

Reinhardt
Chestnut Street
Philadelphia Pa

10 yds rose-green chutz No. 742
@ 1.25 36" wide

SHIP TO

Mr. Bailey
Chestnut St.
Philadelphia PaBrook Park, N.Y.

MOORE INSTITUTE OF ART, SCIENCE AND INDUSTRY

BY

Jacqueline King

PURCHASE ORDER No. 2

MOORE INSTITUTE OF ART, SCIENCE AND INDUSTRY

BROAD and MASTER STREETS -- PHILADELPHIA

TEL. STEVENSON 2242

DATE Mar. 11 '39

TO

Refineries
Chestnut Street
Philadelphia Pa

10 yds rose-green chutz No. 742
@ 1.25 36" wide

SHIP TO

Mr. Bailey
Chestnut St.
Philadelphia Pa

MOORE INSTITUTE OF ART, SCIENCE AND INDUSTRY

BY

Jacqueline Kelly

SALES SLIP

CHARGE TO Miss - Hank

FIRM NAME DESIRABLE

SHIP TO 0000 Black Street

DATE

Germania, Pa.

Room Living Room TEM Chippendale Desk chair

Design, make and upholster special order Chippendale ladder back chair

121-90

122 00

AMOUNT

UNIT PRICE

Estimated	Quantity	Source	No.	Order No.	DESCRIPTION	Unit Price	Total Cost
Labor	.1	Kaeli Bros.		1	upholstering for 1 Rtg. chip ladder-back chair		90
Material	3/4 yd.	Schumacher	00001	3	36" pale green silk velvet	6	4.50
Trimming							
Upholstering							
Paint	1	Eckelman		2	upholst. slipseat with pale green velvet		3.50
P.P.		Schumacher			P.P. from Schumacher to Eckelman on material		.50
Delivery					ladder chair from Kaeli Bros to Eckelman		2.50
TOTAL COST							106.00
DISCOUNT							15.90
					COMMISSION OR OTHER FEE 15%		121.90

SCHEMATIC

D. CREDIT LETTERS AND FORMS

Methods for establishing credit vary. Some firms request a financial statement, some request references, and others request banking information.

The letters submitted on the following pages were replies to requests for open account credit by Jacqueline H. Ward of Ward and Ward of Las Vegas, Nevada, in the spring of 1950. There is one financial statement which is typical of information requested.

LUN ON COMPANY

771 SACRAMENTO STREET

SAN FRANCISCO 8,

CALIFORNIA

TELEPHONE OEBKX 3-109X

BAMBOO
SHADES
FURNITURE
SCREENS
POLES
RATTAN
CANE WEAVING
GRASS MATTING
RUGS
REED
BASKETS
ACCESSORIES

Dec. 12, 1949.

Ward & Ward
Contractors-Designers
Las Vegas, Calif.

Dear Sirs:

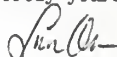
We are enclosing some lists for your study
and hope we may be of service when you are ready.

We have all the necessary basic furnishings and
unusual accessories with the tropical and/or
Oriental feeling. Also- we have building material:
such as poles, wall mats rugged floor coverings etc.

Earlier in the new year we hope to have an illustrated
phamplet for your approval.

We extend special attention to interiors designers
and architects; so we shall be looking forward to
your letters.

Very sincerely yours,



Lun On Company.

LO:ecl.
enc.3.

NO CREDIT REFERENCES REQUESTED

CHARLES H. JOHNSTONE
WESTERN REPRESENTATIVE

Established 1879

J. H. Thorp & Co., Inc.
IMPORTERS

UPHOLSTERY AND DRAPERY FABRICS

250 PARK AVENUE AT 47TH
P.O. BOX 409 GRAND CENTRAL STATION

New York 17, N.Y.

BOSTON • PHILADELPHIA
CHICAGO • LOS ANGELES
CABLE ADDRESS "ADORSRUCE"
A B C CODE USED
PHONE ELDORADO 5-5300

GEORGE A. BOMANN
PRESIDENT
GEORGE A. BOMANN, JR.
VICE PRES.
DONALD BOMANN
SECRETARY
THEODORE E. JAHN
TREASURER
ERIC J. WILSON
ASST. SECRETARY

251 POST STREET
SAN FRANCISCO 5, CAL.
YUKON 8-8088

131 NO. ROBERTSON BLVD.
LOS ANGELES 48, CAL.
BRADSHAW 2-4807
CRESTVIEW 1-8874

February 3, 1950

Jacqueline H. Ward
Post Office Box 1862
Las Vegas, Nevada

Dear Miss Ward:

Answering your letter of February first, it gives us pleasure to enclose, herewith, a copy of our Financial Statement form which we will ask you to kindly fill out and forward to our New York office direct. Naturally this statement covers a lot of things that it is not necessary for a decorator to fill out. What the Credit Department is interested in is your bank reference and names of any concerns similar to our own that you have an open account with.

We note that you are opening an interior decorating department. Naturally you will be interested in purchasing some decorative fabrics in sample form as our dealings are confined to established concerns owning our fabrics. Thus we would be glad to entertain you on your next trip to Los Angeles. It would give us pleasure to have you look at our line. In the meantime if you have any special requirements, do not fail to call upon us for memorandum samples or any information you may desire.

Looking forward to pleasant business relations, we are,

Yours very truly,

Charles H. Johnstone
J. H. THORP & CO., INC.
Charles H. Johnstone

REQUESTED FINANCIAL STATEMENT,
CHJ:nh BANK REFERENCE, AND REFERENCE ACCOUNTS.

ARTHUR H. LEE & SONS INC

103 NORTH ROBERTSON BLVD. • LOS ANGELES 36 • TELEPHONE CRESTVIEW 1-5174

NEW YORK • CHICAGO • BOSTON • PHILADELPHIA • SAN FRANCISCO

February 3, 1950

Ward & Ward
Post Office Box 1862
Las Vegas, Nevada

Att: Miss Jacqueline H. Ward

Dear Miss Ward:

Thank you for your letter of February 1, advising us you are going to supervise the new interior decorating department for your firm.

You request information relative to establishing your firm with us. It is the policy of our firm that all out of town accounts must buy a representative sample line before we can serve them. As we do not know when it will be possible for us to have a salesman visit Las Vegas, we suggest if it is at all possible you come to Los Angeles and visit our showroom where we have our complete lines.

It is also necessary to furnish us with credit references and the name of your business bank before purchasing samples in order that we may establish you on our books with our New York offices.

For your information we also represent Cheney Brothers and Bailey & Griffin here in this office.

We shall look forward to having you visit us here in Los Angeles, and with our every good wish for your success.

Very truly yours,

ARTHUR H. LEE & SONS, INC.

BY *J. Officer*
J. Officer

REQUESTED CREDIT AND BANK REFERENCES,
PURCHASE OF SAMPE LINE

HAECKEL WEAVES

HAND WOVEN FABRICS

2920 BEVERLY BOULEVARD
LOS ANGELES 4, CALIFORNIA
TELEPHONE DREXEL 1084

February 3, 1950.

Miss Jacqueline H. Ward
Interior Decorator
Ward and Ward
Post Office Box 1862
Las Vegas, Nevada.

Dear Miss Ward:

Thank you for your letter of January 5th. We are very glad indeed that you wish to open an account with us and you may be assured of our full cooperation and interest. We shall appreciate the receipt of two or three trade and bank references for our records.

Kindly advise your business address and on our next trip to Las Vegas we will stop to show you our complete line of handwoven drapery and upholstery fabrics and casement curtain fabrics. We have many new and beautiful designs, with and without metal effects, which we are sure will please you.

Again thanking you for your interest and wishing you much success, we remain,

Very truly yours,

HAECKEL WEAVES

Helen McGilliard
For Ernest Haackel

HM:M

REQUESTED TRADE AND BANK REFERENCES



THE S. M. HEXTER COMPANY

Fabrics For Interiors

102 SO. ROBERTSON BLVD.

LOS ANGELES 36, CALIF.

February 6, 1950

Ward and Ward
P.O. Box 1862
Las Vegas
Nevada

Att: Jacqueline H. Ward

Dear Miss Ward:

Enclosed is credit card for open account.

Please write in on card, three or more
Firms with whom you now have active
accounts - also Dunn & Bradstreet or
Lyons, if listed. Bank References.

You may mail this card directly to
our Cleveland Office, 2810 Superior
Avenue.

Yours very truly,

Dorothy Gilmore
Los Angeles Office.

REQUESTED TRADE REFERENCE, D & B
OR LYONS AND BANK REFERENCE

Ans. Feb. 22, 1950

Goodall *Fabrics* INC.

...Our New Address...
818 NO. LA CIENEGA BLVD.
LOS ANGELES 46, CALIF.

February 2, 1950

Jacqueline H. Ward
P.O. Box 1862
Las Vegas, Nevada

Dear Miss Ward:

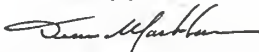
This is to acknowledge your letter of Feb.1, 1950.

For your information, all credit matters are handled directly through our Credit Department at Sanford, Maine. This sales office carries a line of our samples and it is used by the salesmen in this area. We do not maintain a credit dept. I am forwarding your letter to Miss Lillian Richards at Sanford, Maine.

With reference to your last paragraph concerning stocking samples, this is to advise that we will be glad to sell you a representative selection of samples for your operation. Samples from this office are loaned on a two weeks memorandum basis, and any samples not returned after that time are billed directly to the customer.

Please let us know if you desire to carry our line of samples on the conditions outlined above.

Sincerely yours,



Dean Markham

DM:dem NATIONAL CREDIT OFFICE

SAN FRANCISCO OFFICE
1355 MARKET STREET
TELEPHONE HEMLOCK 1-9874

F · SCHUMACHER · & · CO

Importers · Manufacturers · Distributors
DECORATIVE · DRAPERY · & · UPHOLSTERY · FABRICS
CARPETS · WALLPAPERS
60 West 40th St. New York 18

SAN FRANCISCO 3, CALIF.

February 7, 1950

Ward & Ward
Las Vegas, Nevada

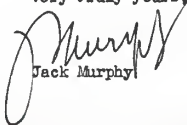
Attn: Jacqueline H. Ward

Gentlemen:

We have your letter of February 1st and appreciate your interest in our fabrics. Our representative will be happy to call upon you during the next trip to your area. In the meantime, we are enclosing a credit application, which will put the routine wheels in motion. Also, we suggest our Preference Plan, form enclosed, as the best means of getting our latest fabrics, quickly. They will send you about 6 samples a month, any of which are returnable for credit within 30 days. The list of Preference accounts is also the mailing list for bonus books and free samples, which is an added attraction.

Thank you again for your interest and please let us know when we may be of further service.

Very truly yours,


Jack Murphy

CREDIT APPLICATION FORM

*Applied sent
2/22/50*

Signed by John A. ...
Title Partner

F · SCHUMACHER · & · CO

Importers · Manufacturers · Distributors
DECORATIVE · DRAPERY · & · UPHOLSTERY · FABRICS
CARPETS · WALL PAPERS
60 West 40th St. New York 18

April
Fifth
1950

Ward & Wrad
Box 1862
Las Vegas, Nevada

Gentlemen:

Thank you for the account you have just opened with
F. Schumacher & Company. All of us are looking forward with pleasure to serving you and members of your organization.

We hope that you will always find at Schumacher's complete assortments of the Fabrics, Wallpapers and Carpets for which you are looking and at the prices you expect to pay.

On your next visit to our 40th Street showrooms in New York, I do hope that you will take the time to stop in my office so that I may have the pleasure of personally assuring you of our desire to be of utmost service.

Your interest in Schumacher Fabrics, Wallpapers and Carpets is really appreciated. Thank you.

Sincerely



Paul H. Gadebusch
Treasurer & General Manager
F. Schumacher & Company

PHG:abo

CREDIT ESTABLISHED

E. CONTRACTS

Documents for contracts and agreements are prepared for the individual and specific requirements of each service to be rendered. The A. I. A. documents submitted in no way are meant to be used as accepted forms for the interior designer. It has been recommended that a qualified attorney-at-law, bonding company or other authority be engaged for preparation of legal documents.



FIRM NAME

Date _____ 19 _____ Project No. _____

Project _____

Address _____

To **CLIENT** _____

Copies to: _____

ALL INVOLVED PRINCIPALS

Your proposal dated _____ for _____

DESCRIPTION OF ALL WORK AND SERVICES

to complete the work required for the above named project in accordance with standard general conditions, drawings, specifications and instructions of the architect is hereby accepted and the owner, by countersignature hereto, enters with you into an agreement covering such sums set out in your proposal and based on the provisions of standard agreement form number _____ between the owner and the contractor published by The American Institute of Architects effective under current date, and which by reference is considered a part of this agreement.

Attachments:

Owner _____

DWGS, PLANS, SPECIFICATIONS, ETC.



BID BOND

KNOW ALL MEN BY THESE PRESENTS, that we

SOME CLIENTS/
DESIGNERS REQUIRE
BID BOND AVAILABLE
FROM BONDING
AGENCIES

as Principal, hereinafter called the Principal, and

a corporation duly organized under the laws of the State of
as Surety, hereinafter called the Surety, are held and firmly bound unto

as Oblige, hereinafter called the Oblige, in the sum of

Dollars (\$),

for the payment of which sum well and truly to be made, the said Principal and the said Surety, bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for

NOW, THEREFORE, if the Oblige shall accept the bid of the Principal and the Principal shall enter into a contract with the Oblige in accordance with the terms of such bid, and give such bond or bonds as may be specified in the bidding or contract documents with good and sufficient surety for the faithful performance of such contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such contract and give such bond or bonds, if the Principal shall pay to the Oblige the difference not to exceed the penalty hereof between the amount specified in said bid and such larger amount for which the Oblige may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect.

Signed and sealed this

day of

A.D. 19 ,

_____ } _____	Principal _____ (Seal)
	Title _____
_____ } _____	Surety _____ (Seal)
	Title _____



THE AMERICAN INSTITUTE OF ARCHITECTS

AIA DOCUMENT
SEPT. 1968 ED.

A107

THE STANDARD FORM OF AGREEMENT BETWEEN OWNER AND CONTRACTOR

THE AIA SHORT FORM CONTRACT FOR
SMALL CONSTRUCTION CONTRACTS

WHERE THE BASIS OF PAYMENT IS A

STIPULATED SUM **FIXED FEE**

FOR OTHER CONTRACTS THE AIA ISSUES THE STANDARD FORMS OF OWNER-CONTRACTOR AGREEMENTS AND THE STANDARD GENERAL CONDITIONS FOR THE CONSTRUCTION OF BUILDINGS FOR USE IN CONNECTION THEREWITH

THIS AGREEMENT

made the _____ day of _____ in the year Nineteen Hundred and

BY AND BETWEEN

NAME OF CLIENT

**NAME OF CONTRACTOR
WHO MAY BE DESIGNER**

hereinafter called the Owner, and

hereinafter called the Contractor.

WITNESSETH,

That the Owner and the Contractor, for the considerations hereinafter named, agree as follows:

ARTICLE 1. SCOPE OF THE WORK—

The Contractor shall furnish all of the material and perform all of the work for

as shown on the Drawings and described in the Specifications entitled

prepared by _____
all in accordance with the terms of the Contract Documents.

Architect

ARTICLE 2. TIME OF COMPLETION—The work shall be commenced and completed as follows:

ARTICLE 3. CONTRACT SUM—The Owner shall pay the Contractor for the performance of the Contract subject to the additions and deductions provided therein in current funds, the sum of

dollars. (\$ _____)

OWNER-CONTRACTOR AGREEMENT
AIA DOC. A107 REV. 1968 ED.

FOUR PAGES

© 1968 The American Institute of Architects
1735 New York Ave NW, Washington, D.C.

PAGE 1

AIA DOC. A107 SEPT. 1968 ED.

AIA DOC. A107 SEPT. 1968 ED.

ARTICLE 4. PROGRESS PAYMENTS—The Owner shall make payments on account of the contract, upon requisition by the Contractor, as follows:

ARTICLE 5. ACCEPTANCE AND FINAL PAYMENT—Final payment shall be due _____ days after completion of the work, provided the contract be then fully performed, subject to the provisions of Article 16 of the General Conditions.

ARTICLE 6. CONTRACT DOCUMENTS—Contract Documents are as noted in Article 1 of the General Conditions. The following is an enumeration of the drawings and specifications:

GENERAL CONDITIONS

ARTICLE 1. CONTRACT DOCUMENTS

The contract includes the AGREEMENT and its GENERAL CONDITIONS, the DRAWINGS, and the SPECIFICATIONS. Two or more copies of each, as required, shall be signed by both parties and one signed copy of each retained by each party.

The intent of these documents is to include all labor, materials, appliances and services of every kind necessary for the proper execution of the work, and the terms and conditions of payment therefor.

The documents are to be considered as one, and whatever is called for by any one of the documents shall be as binding as if called for by all.

ARTICLE 2. SAMPLES

The Contractor shall furnish for approval all samples as directed. The work shall be in accordance with approved samples.

ARTICLE 3. MATERIALS, APPLIANCES, EMPLOYEES

Except as otherwise noted, the Contractor shall provide and pay for all materials, labor, tools, water, power and other items necessary to complete the work.

Unless otherwise specified, all materials shall be new, and both workmanship and materials shall be of good quality. All workmen and sub-contractors shall be skilled in their trades.

ARTICLE 4. ROYALTIES AND PATENTS

The Contractor shall pay all royalties and license fees. He shall defend all suits or claims for infringement of any patent rights and shall save the Owner harmless from loss on account thereof.

ARTICLE 5. SURVEYS, PERMITS, AND REGULATIONS

The Owner shall furnish all surveys unless otherwise specified. Permits and licenses necessary for the prosecution of the work shall be secured and paid for by the Contractor. Easements for permanent structures or permanent changes in existing facilities shall be secured and paid for by the Owner, unless otherwise specified. The Contractor shall comply with all laws and regulations bearing on the conduct of the work and shall notify the Owner if the drawings and specifications are at variance therewith.

ARTICLE 6. PROTECTION OF WORK, PROPERTY, AND PERSONS

The Contractor shall adequately protect the work, adjacent property and the public and shall be responsible for any damage or injury due to his act or neglect.

ARTICLE 7. ACCESS TO WORK

The Contractor shall permit and facilitate observation of the work by the Owner and his agents and public authorities at all times.

ARTICLE 8. CHANGES IN THE WORK

The Owner may order changes in the work, the Contract Sum being adjusted accordingly. All such orders and adjustments shall be in writing. Claims by the Contractor for extra cost must be made in writing before executing the work involved.

ARTICLE 9. CORRECTION OF WORK

The Contractor shall re-execute any work that fails to conform to the requirements of the contract and that appears during the progress of the work, and shall remedy any defects due to faulty materials or workmanship which appear within a period of one year from the date of completion of the contract. The provisions of this article apply to work done by subcontractors as well as to work done by direct employees of the Contractor.

ARTICLE 10. OWNER'S RIGHT TO TERMINATE THE CONTRACT

Should the Contractor neglect to prosecute the work properly, or fail to perform any provision of the contract, the Owner, after seven days' written notice to the Contractor, and his surety if any may, without prejudice to any other remedy he may have, make good the deficiencies and may deduct the cost thereof from the payment then or thereafter due the contractor or, at his option, may terminate the contract and take possession of all materials, tools, and appliances and finish the work by such means as he sees fit, and if the unpaid balance of the contract price exceeds the expense of finishing the work, such excess shall be paid to the Contractor, but if such expense exceeds such unpaid balance, the Contractor shall pay the difference to the Owner.

ARTICLE 11. CONTRACTOR'S RIGHT TO TERMINATE CONTRACT

Should the work be stopped by any public authority for a period of thirty days or more, through no fault of the Contractor, or should the work be stopped through act or neglect of the Owner for a period of seven days, or should the Owner fail to pay the Contractor any payment within seven days after it is due, then the Contractor upon seven days' written notice to the Owner, may stop work or terminate the contract and recover from the Owner payment for all work executed and any loss sustained and reasonable profit and damages.

ARTICLE 12. PAYMENTS

Payments shall be made as provided in the Agreement. The making and acceptance of the final payment shall constitute a waiver of all claims by the Owner, other than those arising from unsettled liens or from faulty work appearing thereafter, as provided for in Article 9, and of all claims by the Contractor except any previously made and still unsettled. Payments otherwise due may be withheld on account of defective work not remedied, liens filed, damage by the Contractor to others not adjusted, or failure to make payments properly to subcontractors or for material or labor.

ARTICLE 13. CONTRACTOR'S LIABILITY INSURANCE

The Contractor shall maintain such insurance as will protect him from claims under workmen's compensation acts and other employee benefits acts, from claims for damages because of bodily injury, including death, and from claims for damages to property which may arise both out of and during operations under this contract, whether such operations be by himself or by any subcontractor or anyone directly or indirectly employed by either of them. This insurance shall be written for not less than any limits of liability specified as part of this contract. Certificates of such insurance shall be filed with the Owner and architect.

ARTICLE 14. OWNER'S LIABILITY INSURANCE

The Owner shall be responsible for and at his option may maintain such insurance as will protect him from his contingent liability to others for damages because of bodily injury, including death, which may arise from operations under this contract, and any other liability for damages which the Contractor is required to insure under any provision of this contract.

ARTICLE 15. FIRE-INSURANCE WITH EXTENDED COVERAGE

The Owner shall effect and maintain fire insurance with extended coverage upon the entire structure on which the work of this contract is to be done to one hundred per cent of the insurable value thereof, including items of labor and materials connected therewith whether in or adjacent to the structure insured, materials in place or to be used as part of the permanent construction including surplus materials, shanties, protective fences, bridges, temporary structures, miscellaneous materials and supplies incident to the work, and such scaffolding, stagings, towers, forms, and equip-

ment as are not owned or rented by the contractor, the cost of which is included in the cost of the work. EXCLUSIONS: The insurance does not cover any tools owned by mechanics, any tools, equipment, scaffolding, staging, towers, and forms owned or rented by the Contractor, the capital value of which is not included in the cost of the work, or any cook shanties, bunk houses or other structures erected for housing the workmen. The loss, if any, is to be made adjustable with and payable to the Owner as Trustee for the insureds and contractors and subcontractors as their interests may appear, except in such cases as may require payment of all or a proportion of said insurance to be made to a mortgagee as his interests may appear.

Certificates of such insurance shall be filed with the Contractor if he so requires. If the Owner fails to effect or maintain insurance as above and so notifies the Contractor, the Contractor may insure his own interests and that of the subcontractors and charge the cost thereof to the Owner. If the Contractor is damaged by failure of the Owner to maintain such insurance or to so notify the Contractor, he may recover as stipulated in the contract for recovery of damages. If other special insurance not herein provided for is required by the Contractor, the Owner shall effect such insurance at the Contractor's expense by appropriate riders to his fire insurance policy. The Owner, Contractor, and all subcontractors waive all rights, each against the others, for damages caused by fire or other perils covered by insurance provided for under the terms of this article except such rights as they may have to the proceeds of insurance held by the Owner as Trustee.

The Owner shall be responsible for and at his option may insure against loss of use of his existing property, due to fire or otherwise, however caused.

If required in writing by any party in interest, the Owner as Trustee shall, upon the occurrence of loss, give bond for the proper performance of his duties. He shall deposit any money received from insurance in an account separate from all his other funds and he shall distribute it in accordance with such agreement as the parties in interest may reach or under an award of arbitrators appointed, one by the Owner, another by joint action of the other parties in interest, all other procedure being as provided elsewhere in the contract for arbitration. If after loss no special agreement is made, replacement of injured work shall be ordered and executed as provided for changes in the work.

The Trustee shall have power to adjust and settle any loss with the insurers unless one of the Contractors interested shall object in writing within three working days of the

occurrence of loss, and thereupon arbitrators shall be chosen as above. The Trustee shall in that case make settlement with the insurers in accordance with the directions of such arbitrators, who shall also, if distribution by arbitration is required, direct such distribution.

ARTICLE 16. LIENS

The final payment shall not be due until the Contractor has delivered to the Owner a complete release of all liens arising out of this contract, or receipts in full covering all labor and materials for which a lien could be filed, or a bond satisfactory to the Owner indemnifying him against any lien.

ARTICLE 17. SEPARATE CONTRACTS

The Owner has the right to let other contracts in connection with the work and the Contractor shall properly cooperate with any such other contractors.

ARTICLE 18. THE ARCHITECT'S STATUS

The Architect shall be the Owner's representative during the construction period. He has authority to stop the work if necessary to insure its proper execution. He shall certify to the Owner when payments under the contract are due and the amounts to be paid. He shall make decisions on all claims of the Owner or Contractor. All his decisions are subject to arbitration.

ARTICLE 19. ARBITRATION

Any disagreement arising out of this contract or from the breach thereof shall be submitted to arbitration, and judgment upon the award rendered may be entered in the court of the forum, state or federal, having jurisdiction. It is mutually agreed that the decision of the arbitrators shall be a condition precedent to any right of legal action that either party may have against the other. The arbitration shall be held under the Standard Form of Arbitration Procedure of The American Institute of Architects or under the Rules of the American Arbitration Association.

ARTICLE 20. CLEANING UP

The Contractor shall keep the premises free from accumulation of waste material and rubbish and at the completion of the work he shall remove from the premises all rubbish, implements and surplus materials and leave the building broom-clean.

IN WITNESS WHEREOF the parties hereto executed this Agreement, the day and year first above written.

Owner

Contractor

*Most Common Form*THE STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND ARCHITECT

ON A BASIS OF A

PERCENTAGE OF CONSTRUCTION COST

THIS AGREEMENT

made this day of in the year Nineteen Hundred and

BY AND BETWEEN

Owner or committee

hereinafter called the Owner, and

Legal entity of the Arch. Firm

hereinafter called the Architect

WITNESSETH,

that whereas the Owner intends to (*Eg. church*) - Name of structure &
location of proposed building (this protects the architect from
possible moving of sites)

hereinafter called the Project,

NOW, THEREFORE,

the Owner and the Architect, for the considerations hereinafter set forth agree as follows:

ARTICLE 1. THE ARCHITECT AGREES TO PROVIDE PROFESSIONAL SERVICES FOR THE PROJECT AS
HEREINAFTER SET FORTH.

ARTICLE 2. THE OWNER AGREES TO PAY THE ARCHITECT AS COMPENSATION FOR HIS SERVICES:

2.1 For his basic services *Kansas Chapter AIA lists minimum fee.* (%) of the project construction cost, hereinafter referred
to as the Basic Rate, the work to be let under a single lump sum contract.2.2 For work let on a cost-plus-fee basis, increase the Basic rate to *Add 1/2%* percent (%).2.3 For work let under separate contracts, increase the Basic Rate to *Add 1/2%* percent (%).2.4 For Additional Services defined in Article 4 hereinafter,
the Direct Personnel Expense as defined in Article 7.1 hereinafter.) timesIn computing Direct Personnel Expense principal's time shall be computed at \$ per hour,
and employees' time shall be at their regular rate of pay plus normal benefits.

2.5 Reimbursable expense as defined in Article 7.2 hereinafter to the amount expended.

BE
MAY
FOR DESIGNER
DIFFERENT
CONSIDERABLY*All Recommendations:*
A. 6% where base
B. 7% where base
C. 8% where base
D. 10% where base

TERMS AND CONDITIONS OF AGREEMENT BETWEEN OWNER AND ARCHITECT

ARTICLE 3. ARCHITECT'S BASIC SERVICES

3.1 Schematic Design Phase.

3.1.1 The Architect shall consult with the Owner to ascertain the requirements of the Project and shall confirm such requirements to the Owner.

3.1.2 He shall prepare schematic design studies leading to a recommended solution together with a general description of the Project for approval by the Owner.

3.1.3 He shall submit to the Owner a Statement of Probable Project Construction Cost based on current area, volume or other unit costs.

3.2 Design Development Phase.

3.2.1 The Architect shall prepare from the approved Schematic Design Studies, the Design Development Documents consisting of plans, elevations and other drawings, and outline specifications, to fix and illustrate the size and character of the entire Project in its essentials as to kinds of materials, type of structure, mechanical and electrical systems and such other work as may be required.

3.2.2 He shall submit to the Owner a further Statement of Probable Project Construction cost.

3.3 Construction Documents Phase.

3.3.1 The Architect shall prepare from the approved Design Development Documents, Working Drawings and Specifications setting forth in detail the work required for the architectural, structural, mechanical, electrical, service-related equipment and site work, and the necessary bidding information, General Conditions of the Contract, and Supplementary General Conditions of the Contract, and shall assist in the drafting of Proposal and Contract Forms.

3.3.2 He shall keep the Owner informed of any adjustments to previous Statements of Probable Project Construction Cost indicated by changes in scope, requirements or market conditions.

3.3.3 He shall be responsible for filing the required documents to secure approval of governmental authorities having jurisdiction over the design of the Project.

3.4 Construction Phase—General Administration of Construction Contracts.

3.4.1 The Architect shall assist the Owner in obtaining proposals from Contractors and in awarding and preparing construction contracts.

3.4.2 To the extent provided by the contract between the Owner and the Contractor, he shall make decisions on all claims of the Owner and Contractor and on all other matters relating to the execution and progress of the work or the interpretation of the Contract Documents. He shall check and approve samples, schedules, shop drawings and other submissions only for conformance with the design concept of the Project and for compliance with the information given by the Contract Documents, prepare change orders and assemble written guarantees required of the Contractors.

3.4.3 He will make periodic visits to the site to familiarize himself generally with the progress and quality of the work and to determine in general if the work is proceeding in accordance with the Contract Documents. He will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the work and he will not be responsible for the Contractors' failure to carry out the construction work in accordance with the Contract Documents. During such visits and on the basis of his observations while at the site, he will keep the Owner informed of the progress of the work, will endeavor to guard the Owner against defects and deficiencies in the work of Contractors, and he may condemn work as failing to conform to the Contract Documents. Based on such observations and the Contractors' Applications for Payment, he will determine the amount owing to the Contractor and will issue Certificates for Payment in such amounts. These Certificates will constitute a representation to the Owner, based on such observations and the data comprising the Application for Payment, that the work has progressed to the point indicated.

By issuing a Certificate for Payment, the Architect will also represent to the Owner that, to the best of his knowledge, information and belief based on what his observations have revealed, the quality of the work is in accordance with the Contract Documents. He will conduct inspections to determine the dates of substantial and final completion and issue a final Certificate for Payment.

3.4.4 If more extensive representation at the site is required, the conditions under which such representation shall be furnished and a Project Representative selected, employed and directed, shall be agreed to by the Owner and the Architect and set forth in an exhibit to this Agreement.

Full
time
inspection

ARTICLE 4. ARCHITECT'S ADDITIONAL SERVICES

The following services cause the Architect extra expense. If any of these services are authorized by the Owner they shall be paid for by the Owner as a Multiple of Direct Personnel Expense:

4.1 Making planning surveys and special analyses of the Owner's needs to clarify requirements of the Project.

4.2 Making measured drawings of existing construction when required for planning additions or alterations thereto.

4.3 Revising previously approved drawings or specifications to accomplish changes.

4.4 Providing Semi-Detailed or Detailed Cost Estimates.

4.5 Preparing documents for Alternate Bids and Change Orders, or for supplemental work initiated after commencement of the construction phase.

4.6 Consultation concerning replacement of any work damaged by fire or other cause during construction and furnishing professional services of the types set forth in Article 3 above as may be required in connection with the replacement of such work.

4.7 Arranging for the work to proceed should the contractor default due to delinquency or insolvency.

4.8 Providing prolonged contract administration and observation of construction should the construction contract time be exceeded by more than 25% due to no fault of the Architect.

4.9 Preparing as-built drawings showing construction changes in the work and final locations of mechanical service lines and outlets on the basis of data furnished by the Contractor.

4.10 Making an inspection of the Project prior to expiration of the guarantee period and reporting observed discrepancies under guarantees provided by the construction contracts.

should
be under-
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standing
as payment.

ARTICLE 5. THE OWNER'S RESPONSIBILITIES

5.1 The Owner shall provide full information as to his requirements for the Project.

5.2 He shall designate, when necessary, representatives authorized to act in his behalf. He shall examine documents submitted by the Architect and render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of the Architect's work. He shall observe the procedure of issuing orders to contractors only through the Architect.

5.3 He shall furnish or direct the Architect to obtain at the Owner's expense, a certified survey of the site, giving, as required, grades and lines of streets, alleys, pavements, and adjoining property; rights of way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries, and contours of the building site; locations, dimensions, and complete data pertaining to existing buildings, other improvements and trees; full information as to available service and utility lines both public and private; and test borings and pits necessary for determining subsurface conditions.

5.4 He shall pay for structural, chemical, mechanical, soil mechanics or other tests and reports if required.

5.5 He shall arrange and pay for such legal, auditing, and insurance counselling services as may be required for the Project.

5.6 If the Owner observes or otherwise becomes aware of any defect in the Project, he shall give prompt written notice thereof to the Architect.

ARTICLE 6. PROJECT CONSTRUCTION COST

6.1 Project Construction Cost as herein referred to means the total cost of all work designed or specified by the Architect, but does not include any payments made to the Architect or consultants.

6.2 Project Construction Cost shall be based upon one of the following sources with precedence in the order listed:

6.2.1 Lowest acceptable bona fide Contractor's proposal received for any or all portions of the Project.

6.2.2 Semi-Detailed or Detailed Estimate of Project Construction Cost as defined in paragraph 6.4 below.

6.2.3 The Architect's latest Statement of Probable Project Construction Cost based on current area, volume or other unit costs.

6.3 When labor or material is furnished by the Owner, the Project Construction Cost shall include such labor and material at current market cost.

6.4 If a fixed limit of Project Construction Cost is stated herein, or if otherwise authorized by the Owner, Estimates of the Probable Project Construction Cost prepared in Semi-Detailed or Detailed form by an experienced estimator will be secured by the Architect during the Design Development or Construction Documents Phase.

6.5 If the Statement of Probable Project Construction Cost, or the Semi-Detailed or Detailed Cost Estimate, or the lowest bona fide proposal is in excess of any limit stated herein, the Owner shall give written approval of an increase in the limit, or he shall cooperate in revising the project scope or quality, or both, to reduce the cost as required.

6.6 Since the Architect has no control over the cost of labor and materials, or competitive bidding, he does not guarantee the accuracy of any Statements of Probable Construction Cost, or any Semi-Detailed or Detailed Cost Estimates.

ARTICLE 7. DIRECT & REIMBURSABLE EXPENSE

7.1 Direct Personnel Expense includes that of principals and employees engaged on the Project including architects, engineers, designers, job captains, draftsmen, specification writers, typists and Project Representatives, in consultation, research, designing, producing drawing, specifications and other documents pertaining to the Project, and services during construction at the Project site.

7.2 Reimbursable Expense includes actual expenditures made by the Architect in the interest of the Project for the following incidental expenses:

7.2.1 Expense of transportation and living of principals and employees when traveling in connection with the Project; long distance calls and telegrams; reproduction of drawings and specifications, excluding copies for Architect's office use and duplicate sets at each phase for the Owner's review and approval; and fees paid for securing approval of authorities having jurisdiction over the Project.

7.2.2 If authorized in advance by the Owner, the expense of Project Representative, overtime work requiring higher than regular rates, perspectives or models for the Owner's use.

7.2.3 If their employment is authorized in advance by the Owner, fees of special consultants, for other than the normal structural, mechanical and electrical engineering services.

ARTICLE 8. PAYMENTS TO THE ARCHITECT

8.1 Payments on account of the Architect's basic services shall be as follows:

8.1.1 A minimum primary payment of 5 per cent of the compensation for basic services, payable upon the execution of the Agreement, is the minimum payment under the Agreement.

8.1.2 Subsequent payments shall be made monthly in proportion to services performed to increase the compensation for basic services to the following percentages at the completion of each phase of the work:

Schematic Design Phase	15%	<i>Estimate of Cost</i>
Design Development Phase	35%	<i>15 + 20%</i>
Construction Documents Phase	75%	<i>15 + 40%</i>
Receipt of Bids	80%	
Construction Phase	100%	

8.2 Payments for Additional Services of the Architect as defined in Article 4 above, and for Reimbursable Expense as defined in Article 7.2, shall be made monthly upon presentation of Architect's detailed invoice.

8.3 No deduction shall be made from the Architect's compensation on account of penalty, liquidated damages, or other sums withheld from payments to contractors.

8.4 If any work designed or specified by the Architect during any phase of service is abandoned or suspended in whole or in part, the Architect is to be paid for the service performed on account of it prior to receipt of written notice from the Owner of such abandonment or suspension, together with reimbursements then due and any terminal expense resulting from abandonment or suspension for more than three months.

ARTICLE 9. ARCHITECT'S ACCOUNTING RECORDS

Records of the Architect's Direct Personnel, Consultant, and Reimbursable Expense pertaining to this Project and records of accounts between the Owner and Contractor shall be kept on a generally recognized accounting basis and shall be available to the Owner or his authorized representative at mutually convenient times.

ARTICLE 10. TERMINATION OF AGREEMENT

This Agreement may be terminated by either party upon seven days' written notice should the other party fail substantially to perform in accordance with its terms through no fault of the other. In the event of termination, due to the fault of other than the Architect, the Architect shall be paid for services performed to termination date, including reimbursements then due, plus terminal expense.

ARTICLE 11. OWNERSHIP OF DOCUMENTS

Drawings and Specifications as instruments of service are the property of the Architect whether the Project for which they are made be executed or not. They are not to be used on other projects except by agreement in writing.

ARTICLE 12. SUCCESSORS AND ASSIGNS

The Owner and the Architect each binds himself, his partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party in respect of all covenants of this Agreement. Neither the Owner nor the Architect shall assign, sublet or transfer his interest in this Agreement without the written consent of the other.

ARTICLE 13. ARBITRATION

Arbitration of all questions in dispute under this Agreement shall be at the choice of either party and shall be in accordance with the provisions, then obtaining, of the Standard Form of Arbitration Procedure of The American Institute of Architects. This Agreement shall be specifically enforceable under the prevailing arbitration law and judgment upon the award rendered may be entered in the court of the forum, state or federal, having jurisdiction. The decisions of the arbitrators shall be a condition precedent to the right of any legal action.

In This space, list any exceptions made to the contract.

IN WITNESS WHEREOF the parties hereto have executed this agreement the day and year first above written.

Owner

Architect

THE AMERICAN INSTITUTE OF ARCHITECTS

AIA DOCUMENT
SEPT. 1963 ED.

A311

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: that (Here insert name and address or legal title of Contractor)

as Principal, hereinafter called Contractor, and, (Here insert the legal title and address of Surety)

as Surety, hereinafter called Surety, are held and firmly bound unto (Name and address or legal title of Owner)

as Obligee, hereinafter called Owner, in the amount of

Dollars (\$),

for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS,

Contractor has by written agreement dated 19 , entered into a contract with Owner for

in accordance with drawings and specifications prepared by (Here insert full name, title and address)

which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

SOME CLIENTS REQUIRE THIS DOCUMENT
AVAILABLE FROM BONDING AGENCIES

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the Owner.

Whenever Contractor shall be, and declared by Owner to be in default under the Contract, the Owner having performed Owner's obligations thereunder, the Surety may promptly remedy the default, or shall promptly

1) Complete the Contract in accordance with its terms and conditions, or

2) Obtain a bid or bids for submission to Owner for completing the Contract in accordance with its terms and conditions, and upon determination by Owner and Surety of the lowest responsible bidder, arrange for a contract between such bidder and Owner, and make available as work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this

paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by Owner to Contractor under the Contract and any amendments thereto, less the amount properly paid by Owner to Contractor.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the contract falls due.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Owner named herein or the heirs, executors, administrators or successors of Owner.

Signed and sealed this

day of

A.D. 19

IN THE PRESENCE OF:

(Principal)

(Seal)

(Title)

(Surety)

(Seal)

(Title)



STANDARD FORM OF SUBCONTRACT

THIS FORM TO BE USED IN CONNECTION WITH THE LATEST
EDITION OF AIA DOCUMENT A201, GENERAL CONDITIONS OF THE CONTRACT

THIS AGREEMENT

made this day of in the year Nineteen Hundred and

BY AND BETWEEN

hereinafter called the Contractor, and

hereinafter called the Subcontractor.

WITNESSETH,

That the Contractor and Subcontractor for the consideration hereinafter named agree as follows:

ARTICLE 1. The Subcontractor agrees to furnish all material and perform all work as described in Article 2 hereof for (Here name the kind of building)

for (Here insert name of Owner)

hereinafter called the Owner, at (Here insert location of work)

in accordance with the General Conditions of the Contract between the Owner and the Contractor and in accordance with Supplementary General Conditions, the Drawings and the Specifications prepared by

hereinafter called the Architect, all of which General Conditions, Drawings and Specifications, signed by the parties thereto or identified by the Architect, form a part of a Contract between the Contractor and the Owner dated, 19 , and hereby become a part of this contract.

ARTICLE 2. The Subcontractor and the Contractor agree that the materials to be furnished and work to be done by the Subcontractor are (Insert a description of the work by reference to Drawing number and Specification pages)

ARTICLE 3. The Subcontractor agrees to complete the several portions and the whole of the work herein sublet by the time or times following: (Here insert the date or dates and if there be liquidated damages state them)

ARTICLE 4. The Contractor agrees to pay the Subcontractor for the performance of his work the sum of
Dollars (\$)

in current funds, subject to additions and deductions for changes as may be agreed upon, and to make payments on account thereof in accordance with Section 5 hereof.

ARTICLE 5. The Contractor and Subcontractor agree to be bound by the terms of the Agreement, the General Conditions, Supplementary General Conditions, Drawings and Specifications as far as applicable to this subcontract, and also by the following provisions:

The Subcontractor agrees—

a) To be bound to the Contractor by the terms of the Agreement, General Conditions of the Contract, the Supplementary General Conditions, the Drawings and Specifications, and to assume toward him all the obligations and responsibilities that he, by those documents, assumes toward the Owner.

b) To submit to the Contractor applications for payment in such reasonable time as to enable the Contractor to apply for payment under Article 24 of the General Conditions.

c) To make all claims for extras, for extensions of time and for damage for delays or otherwise, to the Contractor in the manner provided in the General Conditions of the Contract and Supplementary General Conditions for like claims by the Contractor upon the Owner, except that the time for making claims for extra cost is one week.

The Contractor agrees—

d) To be bound to the Subcontractor by all the obligations that the Owner assumes to the Contractor under the Agreement, General Conditions of the Contract, the Supplementary General Conditions, the Drawings and Specifications, and by all the provisions thereof affording remedies and redress to the Contractor from the Owner.

e) To pay the Subcontractor, upon the payment of certificates, if issued under the schedule of values described in Article 24 of the General Conditions, the amount allowed to the Contractor on account of the Subcontractor's work to the extent of the Subcontractor's interest therein.

f) To pay the Subcontractor, upon the payment of certificates, if issued otherwise than as in (e), so that at all times his total payments shall be as large in proportion to the value of the work done by him as the total amount certified to the Contractor is to the value of the work done by him.

g) To pay the Subcontractor to such extent as may be

provided by the Contract Documents or the subcontract, if either of these provide for earlier or larger payments than the above.

h) To pay the Subcontractor on demand for his work or materials as far as executed and fixed in place, less the retained percentage, at the time the certificate should issue, even though the Architect fails to issue it for any cause not the fault of the Subcontractor.

j) To pay the Subcontractor a just share of any fire insurance money received by him, the Contractor, under Article 29 of the General Conditions.

k) To make no demand for liquidated damages or penalty for delay in any sum in excess of such amount as may be specifically named in the subcontract.

l) That no claim for services rendered or materials furnished by the Contractor to the Subcontractor shall be valid unless written notice thereof is given by the Contractor to the Subcontractor during the first ten days of the calendar month following that in which the claim originated.

m) To give the Subcontractor an opportunity to be present and to submit evidence in any arbitration involving his rights.

n) To name as arbitrator under arbitration proceeding as provided in the General Conditions the person nominated by the Subcontractor, if the sole cause of dispute is the work, materials, rights or responsibilities of the Subcontractor; or if, of the Subcontractor and any other subcontractor jointly, to name as such arbitrator the person upon whom they agree.

The Contractor and the Subcontractor agree that—

o) In the matter of arbitration, their rights and obligations and all procedure shall be analogous to those set forth in this contract; provided, however, that a decision by the Architect shall not be a condition precedent to arbitration.

Nothing in this article shall create any obligation on the part of the Owner to pay or to see the payment of any sums to any Subcontractor.

IN WITNESS WHEREOF

the parties hereto have executed this Agreement, the day and year first above written.

Contractor

Subcontractor

F. LETTERS

Letters were written to authorities in the field of interior design for assistance and advice. Three copies are submitted.

Post Office Box 7-11
Las Vegas, Nevada 89101
June 9, 1967

National Society of Interior Designers
National Headquarters
157 West 57th Street
New York City

Gentlemen:

Under the supervision of Opal Brown Hill, Professor of Interior Design, Kansas State University, I am writing a master's thesis on "Business Practice in Interior Design." If you have any suggestions or information which would be of help, I would be most grateful. Questions which concern me most at this time are:

1. Does the graduate interior designer need to know something about business practice?
2. If so, what are the areas of business practice most needed by the designer?
3. Where and how should this information be learned?

Any assistance which you can give me will be greatly appreciated.

Yours truly

Jacqueline H. Ward

Post Office Box 7420
Las Vegas, Nevada, 89
June 8, 1967

New York Chapter
National Home Fashions League
767 Lexington Avenue
New York 10021

Gentlemen:

I am writing a master's thesis on "Business Practice in Interior Design." If you have any suggestions I would be most grateful. Questions which concern me most at this time are:

1. Does the graduate interior designer need to know something about business practice?
2. If so, what are the areas of business practice most lacking by the designer?
3. Where and how should this information be learned?

I am enclosing 15¢ for your booklet "Your Career in Home Furnishings," which was offered in the April, 1967 issue of Interiors.

Thank you for any assistance you can give me.

Yours truly

Jacqueline H. Ward

Post Office Box 7
Las Vegas, Nevada 89101
June 8, 1967

James Merrick Smith
President, American Institute of Interior Designers
Cocoanut Grove, Florida

Dear Mr. Smith,

Under the supervision of ~~Ona~~ Brown Hill, AID, Kansas State University, I am writing a master's thesis on "Business Practice in Interior Design." In an area so completely lacking except for the tremendous contributions of the American Institute of Interior Designers, I find myself considerably handicapped unless I can secure permission to quote from the "Handbook" and some of the proceedings of some of the meetings and committees. I have had good cooperation from individual AID members. My work would be more valuable if I am free to use more information. Neither Mrs. Hill nor I wish to infringe upon the Institute, -we just want to make a further contribution to the field of interior design.

Your consideration or suggestions will be welcomed.

Yours truly,

Jacqueline H. Ward



NATIONAL HOME FASHIONS LEAGUE, INC.

NEW YORK CHAPTER

July 18, 1967

Miss Jacqueline H. Ward
Post Office Box 7420
Las Vegas, Nevada 89101

Dear Miss Ward:

Please forgive the unavoidable delay in answering your letter of June 8 covering business practice in interior design.

Regarding your questions:

1. Yes, the graduate interior designer needs to know about business practice - the more the better.

2. It is difficult to say in what areas of business practice interior designers are most lacking, as each person's background is different. However, it often seems that the importance of keeping clear, systematic records, especially financial, tends to be overlooked.

3. This information may be learned in various ways -- in school, through practical experience gained while working on a job, and by consulting various experts such as accountants or lawyers.

We are enclosing a copy of our booklet "Your Career in Home Furnishings" as you requested. However, no money was enclosed with your letter, and we would appreciate your forwarding \$.15 to us.

We hope these answers to your questions will be helpful.

Sincerely,

Jeanne M. Lewin
Jeanne M. Lewin
Administrator

JMI/emc

Enclosure.

PS. If you can obtain a copy of the September 1965 issue of Interiors, it contained a very interesting article describing the ways in which five or six different interior designers conduct their business.

BUSINESS PRACTICE IN INTERIOR DESIGN

by

JACQUELINE HANLY WARD

B. S., Kansas State University, 1938

AN ABSTRACT OF A MASTER'S THESIS

submitted in partial fulfillment of the

requirements for the degree

MASTER OF SCIENCE

Department of Clothing, Textiles
and Interior Design

KANSAS STATE UNIVERSITY
Manhattan, Kansas

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Designers, decorators, and educators in the field of interior design have expressed a need for standards of business practice in this rapidly changing profession. A thorough investigation indicated that no conclusive research has been done which is available to the design student or the industry. With the aid of the Manual of Professional Practice of the American Institute of Designers and the Handbook of Professional Practice of the American Institute of Architects combined with the experienced opinion of distinguished designers and decorators, a study was made to answer two questions: (1) What business practices may be required by the interior designer? and (2) Where can the designer obtain business information?

Information was obtained from what has been said in the trade journals, correspondence, and conversation with designers actively practicing in the profession. The scope of the investigation involved those who design, contract, or who sell merchandise. The study was concerned with client relationships, office records and procedures, inter- and intra-professional affiliations, and contacts with related trades, suppliers, materials, labor, and services.

Professional responsibilities were separated from the study of business organization and procedures. The profession was found to be decentralized in all fifty states. Social contacts and affiliation in professional organizations were found to be important for good public relations. Sound business practices and creatively appropriate designs were found

to be the most effective insurance for good client relationships. A clear understanding between the client and designer, which usually involved some legal clarification, indicated the need for at least some legal counsel.

Businesses were found to fall into the three basic organizations of proprietorship, partnership, or corporation. It was necessary for the designer or decorator to know and to apply pertinent federal, state, regional, and local laws, statutes, ordinances, and regulations. Successful businesses today required adequate records of transactions; the design business was found to be no exception. A review of the industry indicated that sound business practices and superior design ability were directly related to insure successful business. It was observed that numerous bankruptcies were attributed to poor business practices.

Financing was investigated and the relative risks involved for the designer, contract-designer, and the merchant-designer were projected. The designer carried the least financial risk and the least personal liability. The contract-designer carried the greatest risks with the largest potential margin of profit. The merchant-designer had the added financial burden of inventory.

The various aspects of the profession, business, and client relationships were simplified and expressed through a series of flow charts and diagrams to clarify all of the procedures projected. An annotated list of references was

given to simplify future study by persons interested in the profession. The bibliography included references to periodicals, books of business law and organization, general business and organization directories, and suppliers of furnishings, materials, services, and labor.

For the growth and stature of this profession it was concluded that an expedient and concerted effort should be made to establish standard business practices. The student designer should be exposed to business law and further exposed to business practices through a selective apprenticeship program.

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