The business of web design
The 2020 report

We know there are a million ways to operate your web design business, but wouldn't it be nice to know exactly how the pros are doing it?

This year, we conducted a survey to learn more about the best ways to build websites, structure client services, and get paid (in full!) on time. From there we crunched the numbers, dug into the insights, and packaged up this beautiful report so you can stop guessing and start scaling your business.

Who took the survey?

Before digging into the data, here's a little insight about the people who took this survey.

We gathered responses from over **1,000 creatives** ranging from web designers or developers, agency owners, and do-it-all freelancers. The common thread: They're creatives who offer web design services for their clients.

The majority identified as freelancers, closely followed by members of agencies. **70% design and develop websites**, while the other 30% focus on one or the other (or other creative services). They mostly **work with small business clients** over mid-sized or enterprise.

> **"** *Creatives that offer web design services for their clients.*

Over
1,000
Creatives, freelancers, and agencies

70%
Design and develop websites

30%
Other creative services
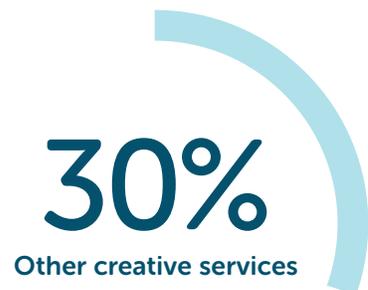
How they're building websites

When it comes to running a successful web design business, step one is to make sure your primary service is as efficient as possible. So we wanted to know: How are people building sites these days, and what tools are they using?
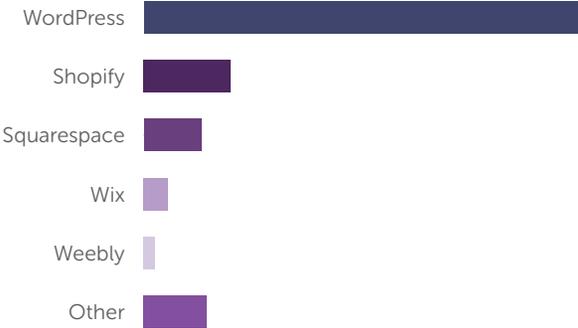
No surprise: **95% of our survey respondents use WordPress***, making it the leading platform for freelance web designers and creative agencies. Shopify came in second place at about 19%.

Note: This survey was conducted by Flywheel, a managed WordPress host. It was shared via Flywheel's email lists and social channels, which is likely part of the reason WordPress ranks so highly.
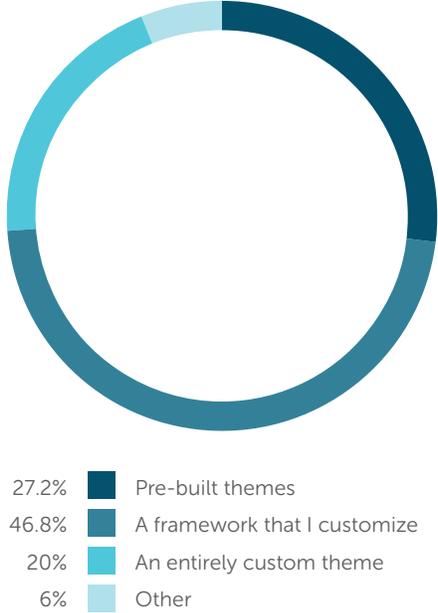
As for WordPress themes, the most common method is a framework that can be customized. **In fact, only 20% of web design businesses build an entirely custom theme.** If you're feeling the pressure to start from scratch, it may be comforting to know that your competition likely isn't doing that!

> " *Over 60% of web design businesses only work with 1 or 2 hosting providers.*

What platform do web design businesses use to build sites?

WordPress	
Shopify	
Squarespace	
Wix	
Weebly	
Other	

What kind of WordPress themes do you use?

27.2%	Pre-built themes
46.8%	A framework that I customize
20%	An entirely custom theme
6%	Other

Once a site is ready to launch, it's time to handle hosting. Most web design businesses work with 1 or 2 WordPress hosts. **In fact, over 60% of the businesses we surveyed only work with 1 or 2 hosting providers.** It makes sense – by simplifying the number of providers you work with, you can streamline your business and focus on the work (instead of who you're working with).

Once you know who's hosting your website, it's time to pay the bill and take it live! The question then becomes: Who pays the bill, you or your client?

In order, here are the most preferred methods for setting up hosting for web design clients:

I resell hosting and charge my clients more than the cost of the hosting plan	40.1%
I recommend a provider and help them set it up, but they pay the bill	33.1%
I take care of it and charge my client when it's time to renew	12.5%
They choose their own provider and handle it all on their own	7.6%
I take care of it and just pay the bill	6.7%

We're big advocates of those first two methods at Flywheel. That's why we help coach our Agency Partners on how to resell hosting, and why the ability to transfer billing to your client is a built-in feature to our platform.

Basically: If you're going to own the hosting bill yourself, make sure you're earning a profit from it. If you're not ready to resell or looking to cut ties with a client, make sure you transfer the bill to them so it's a clean offboarding process.
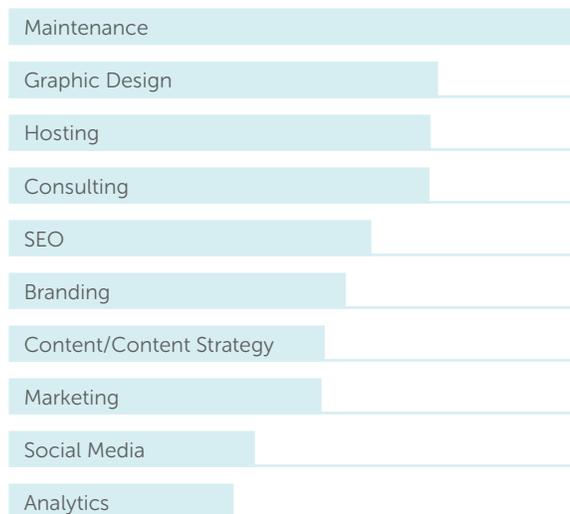
What services they're selling

Beyond standard web design work, we wanted to discover what else freelancers and agencies are offering. (Because we all know it's never "just an easy website update!")

The majority of the professionals we surveyed either currently offer additional types of creative work or are thinking about adding new services in the future.

If you have the bandwidth and the team to offer more for your clients, why not? It's a great way to diversify your income to create new revenue streams. We also love seeing that **over 80% of web design professionals also offer maintenance packages**, because it's one of the easiest ways to generate monthly recurring revenue!

> " *Over 80% of web design professionals offer maintenance packages*

The top services currently being offered alongside web design:

- Maintenance
- Graphic Design
- Hosting
- Consulting
- SEO
- Branding
- Content/Content Strategy
- Marketing
- Social Media
- Analytics

The top services being considered as future services:

- Content/Content Strategy
- SEO
- Mobile app development
- Analytics
- Video production
- Social media
- Consulting
- Marketing
- Hosting
- Photography

It's interesting to see content-based services high on both lists, as well. It makes sense, because about **80% of web design professionals end up producing content for clients**. And of those, almost 20% said they create content for clients for every project.

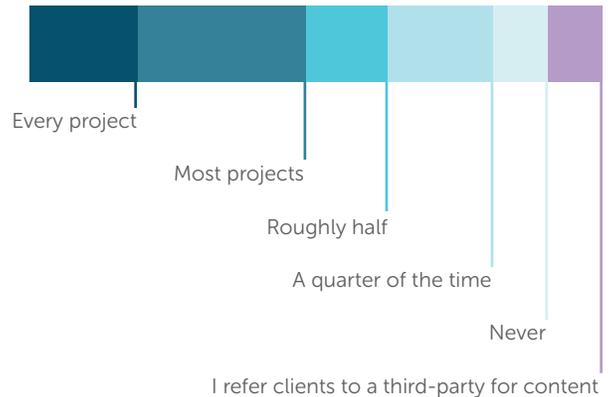On top of actual client services, most web design businesses also charge for additional project-related tasks.

> " *Over 50% of web design businesses charge for scope creep.*

These can be included in your prices, or tacked on to the final price as things come up. In fact, **over 50% charge for scope creep**. That's a great way to ensure you're getting paid for every hour of your work. Just make sure to outline all the details of your pricing in your contract, so your clients are on the exact same page!
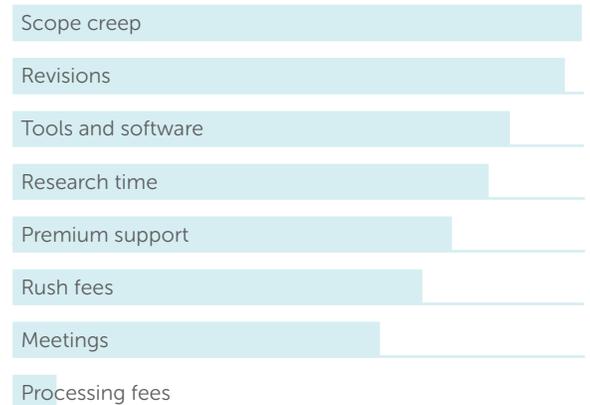
Scope creep includes any new work that pops up over the course of the project that wasn't included in the initial contract.

How often do you end up producing content for clients?

Every project

Most projects

Roughly half

A quarter of the time

Never

I refer clients to a third-party for content

Additional tasks web designers and agencies bill their clients for:

Scope creep

Revisions

Tools and software

Research time

Premium support

Rush fees

Meetings

Processing fees

How they operate their business

Let's talk logistics! Beyond building sites and selling services, we wanted to know how web design businesses actually operate. While contracts and invoicing may not be your favorite topic as a creative professional, they're critical to running (and scaling!) a successful web design business.
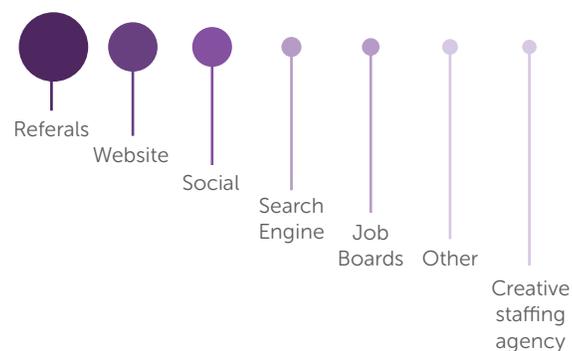
First things first: Finding new clients.

It's no surprise that referrals are the bread and butter of finding new clients. That's why it's more important than ever to focus on your client relationships to create excellent experiences! Even if you don't work with a client again, they can always refer you to their friends.

Beyond referrals, your website is the next best thing for finding new clients. Not only does it inform them of your services, but it should show off your best work, so they can't wait to work with you by the time they're done scrolling.
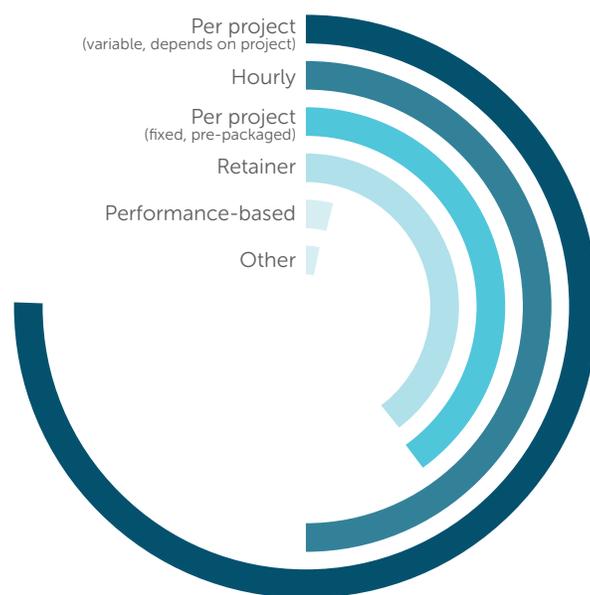
Once you onboard a new client, it's time to charge for your services. The most common pricing structure? Per project.

> " *Over 75% of the creatives we surveyed charge per project.*

How do clients typically find you?

Referrals • Website • Social • Search Engine • Job Boards • Other • Creative staffing agency

How do you charge your clients?

Per project (variable, depends on project)
Hourly
Per project (fixed, pre-packaged)
Retainer
Performance-based
Other

Something we found surprising: **Less than 40% are earning money from retainer-based work**. We're advocates of this method here at Flywheel, as we've seen our Agency Partners have a lot of success thanks to recurring revenue models like reselling hosting or selling maintenance packages. By charging clients for monthly services, you can start to create a reliable and stable income, on top of all the new work you're charging per project.

So, if retainer-based models are so great, why aren't more freelancers and agencies structuring their business that way? **The number one reason: Uncertainty about retainer-based business models.**

Which makes sense. If you're used to charging per project, making the shift to recurring revenue streams can feel like a large mountain to climb. Based on the success Flywheel Agency Partners have seen with it, however, we can't recommend this method enough!
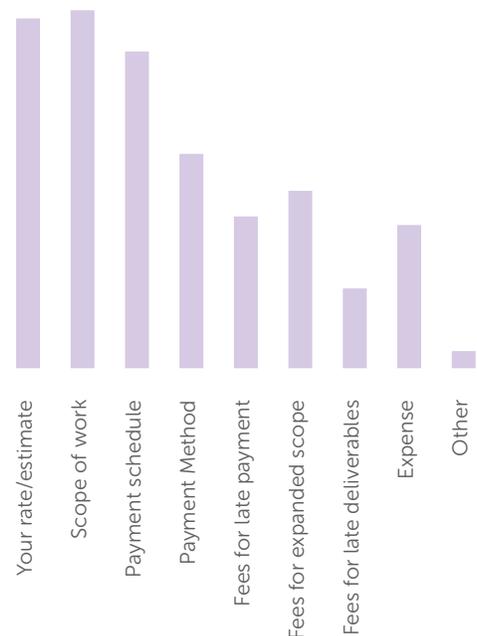
No matter what pricing structure you go with, you should list out all the details in the initial contract and/or proposal. The top three items on a web design contract include: the scope of work, the rate/estimate, and the payment schedule.

What has prevented you from moving to a retainer based model?
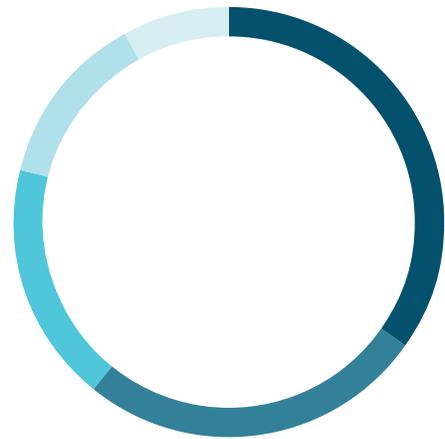
34.9%	Uncertainty
26.1%	Other
17.9%	Needy clients
13.1%	No clear end date for the relationship
8.0%	Harder to set billing up

What clauses do your contracts always contain?

Your rate/estimate · Scope of work · Payment schedule · Payment Method · Fees for late payment · Fees for expanded scope · Fees for late deliverables · Expense · Other

As for timelines, we weren't surprised to learn that 80% of the creatives we surveyed require a deposit on most projects. Asking for a deposit up front is a great way to ensure a client is serious about working with you and a great way to make sure you get paid for your time. (If you're part of the 20% who don't, we recommend implementing this step in your onboarding process ASAP!)

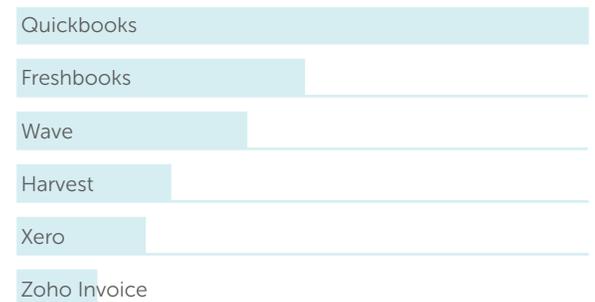> " *80% of the creatives we surveyed require a deposit on most projects.*

After getting that initial deposit, the average time it takes to get paid in full is 2-4 weeks. We were definitely impressed with the 20% that get paid in full immediately on project launch, however. They waste no time collecting the paycheck for their hard work!

When it comes to invoicing software, there are quite a few popular tools that probably come to mind. What we were surprised to learn: **Over 38% don't use the most popular billing apps**. That's a pretty significant amount!

How long does it usually take you to get paid in full?

Immediately | 1-2 weeks | 2-4 weeks | More than a month
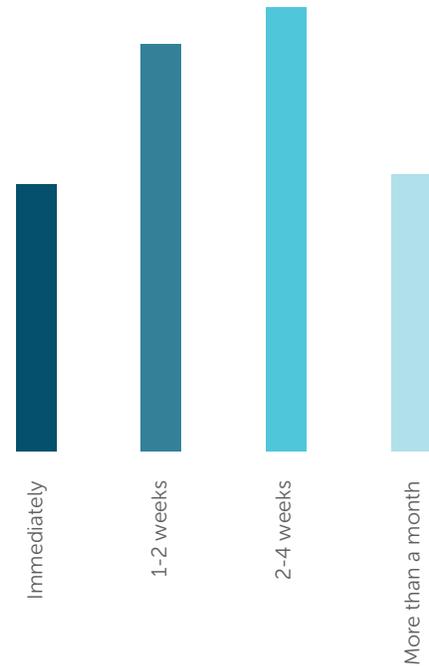
The most popular invoicing/billing tools:

Quickbooks
Freshbooks
Wave
Harvest
Xero
Zoho Invoice

So, what are those people using instead? One product is White Label, a billing subscription add-on to Flywheel hosting services. It makes it incredibly easy to invoice your clients for recurring services, and integrates flawlessly with Flywheel's hosting platform. (If you're reselling WordPress hosting, this is especially convenient!)

Another option is to stick with manual methods like personally sending emails and tracking status in a spreadsheet, which a small percentage of our survey respondents preferred. But if you're tight on time, we highly recommend looking into a software solution for invoicing and billing.

Regardless, make sure your invoices have all the information they need before you send them out to clients.

We asked our survey takers to upload examples of their standard invoice templates, and these were the most commonly seen items:

- Contact information at the top (email, phone number, etc.)

- A table to neatly separate each project/service

- A brief description of the work

- The hours and rate

- Taxes included and/or excluded

- The estimated total and/or final total

- Payment due date and preferred format (check, online, etc.)

- "Checks payable to" information

- Signature from both parties to confirm charges

- Terms and conditions

Last, but certainly not least, we asked these leading professionals the question everyone wants to know: "Do you feel like you charge enough for your services?" If you're currently thinking, "I don't..." you're not alone. **44% of creative professionals don't feel like they charge enough for their services**

44%

of creative professionals don't feel like they charge enough for their services.
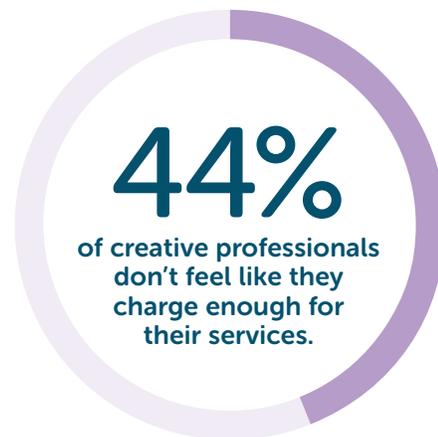
If you feel that way, then it's time to raise your rates! You're the boss of your own business, and we're here to tell you that you've earned it.

If you're nervous about increasing your rates, you can always start with brand new clients – they won't even know you're changing anything! Or you can think about packaging your services in a way that provides better margins for the services you're selling. (Bonus: This can also help you shift to a retainer model. And when you have recurring revenue coming in each month, it'll be less critical to raise your per project prices!)

That concludes this report!

We hope you learned something new about structuring a successful web design business in 2020.
(We sure did!)

If you're ready to learn more about reselling hosting, creating recurring revenue streams, or selling maintenance plans, we'd like to extend an invite to Flywheel's Agency Partner Program. When you host your websites with Flywheel, you get more than just a hosting provider – you get a true partner for your business.

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