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SUBJECT: BUSINESS PRINCIPLES Course #217 (12 Week)

INSTRUCTOR: CHRIS KITRELL, CID, MBA, ALLIED ASID, NKBA

COURSE DESCRIPTION:

A lecture class designed to provide the student with knowledge of the business aspects of the interior design profession. Topics included are: professional Ethics, licensing, Contracts, Estimating and Accounting Procedures (i.e. ordering, billing, fee compensation and designer/client relationships).

COURSE OBJECTIVES:

The student will understand the profession of interior design, how to establish an interior design practice, managing the business finances, marketing and business development, project management and career options. The student will learn how to successfully complete interior design paperwork: Letters of Agreement, Proposals, Purchase orders, Invoices and Accounting procedures.

COURSE SUMMARY/STUDENT OUTCOME:

Upon completion of the course, the student will have the business knowledge necessary to be able to begin freelance work, operate a successful business and deal with different client personalities.

TEXTBOOK REQUIRED: (Bring to first Class)

“Professional Practice for Interior Designers”, Fifth Edition, Christine M. Piotrowski, John Wiley & Sons, Inc. 2014.

REQUIREMENTS OF CLASS:

- **TEN POINTS WILL BE DEDUCTED FOR EACH CLASS MISSED**
- **TWO POINTS WILL BE DEDUCTED FOR EACH LATE TO CLASS**
- **FIVE POINTS WILL BE DEDUCTED FOR EACH LATE ASSIGNMENT**
- **ASSIGNMENTS WILL NOT BE ACCEPTED BY EMAIL**
- **ALL QUIZZES ARE GIVEN AT BEGINNING OF CLASS via Canvas**
- **NO MAKE-UPS FOR ANY QUIZZES MISSED**
- **TWO ABSENCES AND YOUR GRADE IS DROPPED A FULL LETTER GRADE**
- **ATTENDANCE FOR FINAL CLASS IS REQUIRED OR YOU WILL FAIL THE CLASS**
- **School Attendance Policy:**
Each student may have two total absences. However, more than two consecutive class meeting absences or three non-consecutive class meeting absences per course may result in the student being withdrawn from that course.
- **COMPLETION OF PROJECTS AT SCHEDULED TIMES, DUE AT BEGINNING OF CLASS**
- **CELL PHONES GOING OFF IN CLASS WILL RESULT IN A 5-POINT DEDUCTION**
- **TEXTING IN CLASS WILL NOT BE TOLERATED**
- **NO RECORDING OF ANY LECTURES OR GUEST SPEAKERS**

Grading sheet: Please use this to track your grades throughout the term.

Business Principles Evaluation

Instructor: Chris Kittrell

Name: _____

6 Quizzes @ 25 Points each:

Quiz 1	___/25
Quiz 2	___/25
Quiz 3	___/25
Quiz 4	___/25
Quiz 5	___/25
Quiz 6	___/25
Quiz 7	___/25
Quiz 8	___/25
Total	___/200

Business Principles Notebook – Include in this Order:

Goal Setting	___/45
Web Resource Summary	___/30
Business Plan – Sections 1.0 - 3.0 (Mission, Executive Summary, Business Description)	___/50
Business Plan – Section 4.0 (Industry & Environmental Analysis, Market Research)	___/50
Business Plan – Section 5.0 (Marketing Plan – 4-P's)	___/50
Letter of Agreement Test (25)	___/25
Purchase Order Test (50)	___/50
Sales Proposal Test (50)	___/50
Total Points	___/350

Total Possible Points (200 + 350 = 550 Total) **___/550** **Grade**_____

A = 495 to 550

B = 440 to 494

C = 385 to 439

D = 330 to 384

Absences from Class: _____ (deduct 5 points per Absence)

Late to Class: _____ (deduct 2 points per Late)

Revised Grade Points: _____ **Final Grade**_____

Business Principles

12 Week Term

CLASS 1 – May 7 - Syllabus & Grading Overview

Lecture: Chapters 1, 2, 3, 4

Interior Design as a Profession, Professional Preparation, Ethics and Professional Responsibility, Legal Responsibility

Reading Assignment: Chapters 1, 2, 3, & 4

CLASS 2 – May 14 - Quiz 1: Chapters 1, 2, 3 & 4

Lecture: Chapters 5 & 28 - Personal Goal Setting, Professional Options

Reading Assignment: Chapters 5 & 28

Goal Setting Exercise – Assigned – Due May 21

CLASS 3 – May 21 - Quiz 2: Chapters 5 & 28

Lecture: Chapters 15, 16, 18, 19

Creating a New Interior Design Practice, Advice and Counsel, Business Formations, Business Legal Filings & Licenses

Reading Assignment: Chapters 15, 16, 18, 19

Web Resource Summary – Assigned – Due May 28

CLASS 4 - May 28 - Quiz 3: Chapters 15, 16, 18, 19

Lecture: Chapters 17, 20 - Preparing the Business Plan, Practice Organization and Management, Strategic Planning

Reading Assignment: Chapters 17 & 20

Marketing Research, Sources & On-line Templates

Business Plan

Cover page, Table of Contents, Sections 1.0 – 3.0 - Assigned – Due June 11

(2 weeks)

CLASS 5 – June 4 - Quiz 4: Chapter 17, 20

Lecture: Chapter 27

Human Resource Management, Legal Issues of Employment

Reading Assignment: Chapter 27

Discussion on Business Plan work-in-progress

CLASS 6 – June 11 - Quiz 5: Chapter 27

Lecture: Chapter 21

Money Management - Basic Financial Accounting, Financial Management

Reading Assignment: Chapter 21

Lecture: Start Up Costs, Break Even Analysis

Handout on Start-Up Costs, Fixed & Variable Costs, Break Even Point

CLASS 7 – June 18 - Quiz 6: Chapter 21

Lecture: Chapter 22, 23, 24

Marketing Interior Design Services, Promoting the Interior Design

Practice, Additional Promotional Methods

Industry & Environmental Analysis, Market Research

Reading Assignment: Chapters 22, 23, 24

Business Plan Sections 4.0 & 5.0 Assigned – Due July 9th (2 weeks)

CLASS 8 – June 25 – Quiz 7: Chapters 22, 23, 24

Lecture: Chapters 6 & 7

Project Compensation and Fees, Preparing Design Contracts

Reading Assignment: Chapters 6 & 7

Letter of Agreement – Assigned (Take Home Test) Due July 2

CLASS 9 – July 2 – Quiz 8: Chapters 6 & 7

Lecture - Chapters 25 & 26

Lecture - Chapters 13, (Purchase Orders & Sales Orders)

Selling Strategies, Design Presentations

Reading Assignment: **Chapters 13, 25 & 26**

Sales Order Test & Purchase Order Take Home Tests -Assigned – Due July 16
(2 weeks)

CLASS 10 –July 9- No Quiz- *Submit Business Plans Due*

(Cover thru all of Section 5.0)

Lecture: Chapters 8, 9 & 10 Product Pricing, the sale of Goods and the Uniform Commercial Code, Warranties and Product Liability.

Discussion on work-in-progress Sales Order/Purchase Order

Reading Assignment: **Chapters 8, 9, 10**

CLASS 11 – July 16 – No Quiz - Chapters 8, 9 & 10

Lecture: Chapters 11, 12, 13, 14

Project Management Process, Trade Sources, Contract Documents and Specifications, Contract Administration, Delivery and Close Out.

No Quiz on In-class discussion only.

CLASS 12 – July 23 – No Quiz - Final Class (Final Notebook Due)

Class Summary & Recap

Lecture: Chapters 29 & 30 Cover Letters, Resumes, Interviews, Landing the Job

Project Notebook Due, tabbed, and professionally assembled.

Include ALL work submitted.

Discussion of Job Placement Opportunities & Process

PROJECT MANAGEMENT

"The process of organizing and controlling all the tasks and resources for an interior design project from beginning to end to satisfactorily solve the client's problems and provide a reasonable profit to the design firm"

PHASES OF A PROJECT

PROGRAMMING

Information gathering

SCHEMATIC DESIGN

Written design concepts, bubble diagrams, adjacency matrices & floorplans

DESIGN DEVELOPMENT

Furniture plans, presentation graphics, sample boards

CONTRACT DOCUMENTS

Construction/working drawings, specs, schedules

CONTRACT ADMINISTRATION

Bid Process, order placement, construction and installation

THE PROFESSIONAL INTERIOR DESIGNER

The National Council for interior Design Qualification (NCIDQ) offers the following definition of the Professional Interior Designer:

The Professional Interior Designer is qualified by education, experience, and examination to enhance the function and quality of interior spaces. For the purpose of improving the quality of life, increasing productivity, and protecting the health, safety, and welfare of the public, the Professional interior Designer:

- Analyzes the client's needs, goals, and life and safety requirements
- Integrates findings with knowledge of interior design
- Formulates preliminary design concepts that are appropriate, functional, and aesthetic
- Develops and presents final design recommendations through appropriate presentation media
- Prepares working drawings and specifications for non-load bearing interior construction, materials, finishes, space planning, furnishings, and fixtures, and equipment
- Collaborates with licensed practitioners who offer professional services in the technical areas of mechanical, electrical, and load-bearing design as required for regulatory approval
- Prepares and administers bids and contract documents as the client's agent
- Reviews and evaluates design solutions during implementation and upon completion

GOVERNING ORGANIZATIONS

Look up each site, write a brief paragraph describing your “key learnings” and insert under Web Resource Summary tab in final project binder.

ASID – American Society of Interior Designers

www.asid.org

IIDA - International interior Design Association www.iida.org

NCIDQ – National Council for Interior Design Qualification

www.ncidq.org

CIDA – Council for Interior Design Accreditation www.accredit-

[id.org](http://www.accredit-id.org)

CLCID – California Legislative Conference on Interior Design

www.clcid.org

Contractors State License Board

www.cslb.ca.gov

NKBA – National Kitchen and Bath Association

www.nkba.org

CCIDC – California Council for Interior Design Certification

www.ccidc.org

Fictitious Business Name Filing – Orange County, California

www.ocgov.com/recorder/fictbsn.htm

California Department of Tax & Fee Administration

(CADTFA)

<https://www.cdtfa.ca.gov>

BUSINESS PLAN PROJECT

PURPOSE: To assist the student in analyzing personal dreams and goals and enabling that student to take that next step toward establishing their own small business.

FORMAT FOR FINAL PROJECT BINDER SUBMITTED WEEK 12 TO INCLUDE:

Goal Setting Exercise

Web Resource Summary, printed, 1 – 2 paragraphs on key learnings

Business Plan – Cover Page, Table of Contents, & Sections 1.0 through 5.0

Letter of Agreement Test

Purchase Order Test

Proposal Test

Notes:

1. Quizzes 1 through 8 (will be graded on Canvas)
2. Notebook should have 6 tabs, all assignments should be the “graded” versions.
3. Your name, the Term & Year, Business Principles #217 should be on the front of the binder.

Utilize information from your Personal Goal Setting exercise to give you direction in establishing your new business to follow your personal passion.

- Utilize information from the class segment on writing a Mission Statement in order to succinctly state the purpose and goals of your own small business.
- From information gathered in the class segment on Business Formations, decide and develop your own Business. Give reasons for choosing that type of business formation in your Business Plan.
- Licensing and registration requirements for a small business are discussed in class.
These details should be addressed in your Business Plan.
- A comprehensive marketing plan should be included in your business plan, and should demonstrate student understanding of market analysis and projections.
- Financial projections may be included in this assignment, but are not required.

CREATING A COMPLETE BUSINESS PLAN
THE BASICS
COMPONENTS OF A BUSINESS PLAN
REQUIRED FORMAT FOR SUBMISSION – Binder with Tabs

Cover page

Name, Name of Business, Contact Info & Logo

Table of Contents

Confidentiality Statement

- 1.0 Mission Statement** – Expresses specific niche or business objective, geographic location and target market, and competitive advantage.

- 2.0 Executive Summary** – Short summary of the entire plan, write last, discusses industry and environment, business opportunities, strategies for success.

- 3.0 Business Description**
 - 3.1 Business name and history of the concept of the business
 - 3.2 Business Logo
 - 3.3 Products and services offered
 - 3.4 Business formation and licenses required

- 4.0 Industry and Environmental Analysis**
 - 4.1 Specifies what industry business is in, indicates recent growth or decline of the industry.
 - 4.2 Identifies environmental issues impacting the industry.
 - 4.3 Market research – Target Market & Market Size
 - 4.2a. How many potential clients?
 - 4.2b. Where are the potential clients?
 - 4.4 Define the competition in the same market
 - 4.4a. SWOT ANALYSIS (chart)

- 5.0 Marketing Plan (due week 8) submitted again as part of Business Plan**
 - 5.1 Product
 - 5.1 Pricing
 - 5.3 Promotion
 - 5.4 Place

CHRIS KITTRELL, CID, MBA, ALLIED MEMBER ASID

Member NKBA

California Certified Interior Designer

Allied Member, American Society of Interior Designers

Member, NKBA

Website: www.chriskittrell.com

Bachelor of Arts degree, Art Education, Marycrest College, Davenport, IA

MBA Loyola Marymount University, Westchester, CA

Associate of Arts degree, Interior Designers Institute, Newport Beach, CA

Adjunct Professor, Interior Designers Institute

President, Kittrell & Associates Interior Design 1998 to Present

The company specializes in designs for new custom homes and remodeling of kitchens and baths, in addition to all interior/exterior furnishings and décor.

Featured in Coast Magazine, OC Home Magazine Best of Houzz Service Award, 2015, 2016 & 2017

- **DESIGN AWARDS:**

- ASID/ OC Home Magazine Gold Award - Excellence in Kitchen Design, 2004
- ASID/OC Home Magazine Platinum Award - Excellence in Home Office Design, 2005
- ASID/OC Home Magazine Gold Award - Excellence in Kitchen Design, 2006
- ASID/Orange Coast Magazine Gold Award - Excellence in Kitchen Design, 2008
- ASID/Orange Coast Magazine Platinum Award – Home of the Year, 2009
- Houzz.com Service Award Badges - 2015, 2016, 2017