



B U S I N E S S P L A N · I N D I A

Interior Design Studio

Residential and commercial design services with independent specification and paid site supervision

INTERIOR DESIGN & FURNISHING

AISEVAK.IN · BY ABL DIGITAL TECHNOLOGIES

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This document is confidential and prepared for planning purposes. All financial figures are illustrative model assumptions for an Indian MSME context and must be validated against live quotes, local rates and professional advice before any investment or borrowing decision.

1. Executive Summary

This plan sets out an **Interior Design Studio** in India — providing **design services for residential, commercial, retail and hospitality spaces**: concept development, space planning, detailed drawings, 3D visualisation, material and furniture specification, and **site supervision through execution** — charged as professional fees rather than as a share of what the client spends.

How this studio charges — and why the basis matters more than the rate. Interior design in India is billed three ways, and they are not equivalent. **A percentage of project cost (typically 8-15%) creates a direct conflict: the designer's income rises with the client's spend**, so every decision between a ₹4,000 and a ₹12,000 per square foot finish is one the designer profits from getting wrong in the client's terms. **A per-square-foot design fee** is neutral on specification. **A staged lump-sum fee** is cleanest of all, because it prices the work rather than the outlay. This plan uses **staged and per-square-foot fees**, and states the reason openly: a design practice's product is judgement, and **a fee structure that pays more for expensive judgement corrupts the only thing the client is actually buying**.

The second conflict is larger, more common, and almost never disclosed: vendor commissions. Across the Indian interiors trade, furniture, tile, sanitaryware, lighting and modular suppliers routinely pay designers a commission on what gets specified. **A client who believes they are receiving independent advice is, in that arrangement, paying for it twice — once in the fee and again in the inflated specification.** There are only two defensible positions: **refuse commissions entirely and charge a fee that reflects the work, or accept them, disclose them, and credit them against the client's account.** This plan takes the first. **A studio taking undisclosed commissions is not a design practice — it is a supplier's sales channel wearing a design badge**, and its recommendations should be read accordingly.

And the operational problem that quietly decides profitability: design is infinitely revisable, and the client does not perceive a revision as costing anything. A studio that does not **cap revisions contractually and bill beyond the cap works for free from round three onward** — which is why this plan tracks *billed excess revisions* as a headline KPI, rising from 22% to 68% of those incurred. That figure is not a measure of how demanding clients are; it is a measure of whether the studio has learned to run a professional practice.

This plan models a business requiring **₹85 lakh** (₹45 lakh promoter + ₹15 lakh term loan + ₹25 lakh working-capital finance), moving from **₹2.9 crore revenue and a ₹20 lakh loss** in Year 1 to **₹7.55 crore revenue and ₹82 lakh profit** by Year 3, across roughly 82 projects. (*Design services; people-cost-dominated, utilisation-driven — figures illustrative.*)

2. Business Description, Vision & Legal Structure

Concept: An interior design studio — concept and space planning, detailed working drawings, 3D visualisation, material and FF&E specification, procurement support and site supervision, across residential, commercial office, retail and hospitality projects, plus standalone visualisation and consultation services.

Vision: To be the studio a client can trust to specify the cheaper option when the cheaper option is better.

Mission: Charge for the work, not for the client's spend; take no commission we would not put in writing; cap revisions and bill what exceeds them; and supervise what we draw, because a drawing is not a room.

Legal structure options

- **Private Limited** — suits commercial, retail and hospitality clients, corporate empanelment and any ambition to scale beyond the founder.
- **LLP** — a natural fit for a partner-led design practice.
- **Proprietorship** — workable for a solo residential practice, but limits corporate work and concentrates all liability personally.

Regulatory anchor — and one point that is widely misunderstood: there is no statutory licence to practise as an interior designer in India, and the title is unprotected. But "architect" is protected: using that title without registration with the Council of Architecture is an offence under the Architects Act, so a studio must be precise about what it calls itself and its staff. Where work touches structure, services or the building envelope, **a registered architect and a qualified structural engineer must be engaged** — an interior designer altering a load-bearing element is outside their competence and, if it goes wrong, outside their insurance. Practical approvals include **housing-society NOCs, municipal permissions for structural or facade change, fire NOC for commercial premises, and building-management fit-out rules**; in newer buildings, **RERA-related restrictions and developer fit-out guidelines** apply. Contracts should carry scope, stage sign-offs, revision limits, payment stages and a professional-indemnity position; **PI insurance is genuinely advisable**, since a specification error can carry a cost far exceeding the fee.

3. Promoter & Ownership

Led by a promoter with interior design, architecture or spatial-design background. Three competences decide outcomes: *design judgement*, which is what the client is buying and cannot be delegated early; *commercial discipline* — scoping, staging, revision control and collections, where most creative practices lose their money; and *site capability*, because a design that is not supervised is a design that gets value-engineered by the contractor and blamed on the designer. Portfolio quality, fee-basis integrity, revision discipline & site delivery are the differentiators. Ownership, equity & any partner are editable inputs.

4. Market Analysis — India

Demand is driven by rising disposable income and home-ownership, apartment handovers requiring fit-out, commercial office churn and hybrid-work redesign, retail and F&B expansion, hospitality refurbishment cycles, and social-media-driven aspiration for designed interiors. Demand is strong and broadening beyond metros. The market rewards portfolio, referral & delivery reliability; it is **fragmented, referral-led and price-opaque**.

Demand drivers

- **Residential handovers** — new apartments delivered bare-shell or semi-finished, creating a near-automatic fit-out requirement.
- **Commercial office redesign** following hybrid-work changes, with better payment behaviour and repeat potential than residential.
- **Retail and F&B expansion**, where design is commercially instrumental rather than decorative.
- **Hospitality refurbishment cycles**, typically every 5–8 years and design-intensive.
- **Aspiration and visibility** — social media has made interior design a mainstream expectation rather than a luxury service.

Market sizing (illustrative framing)

Layer	Definition	Indicative scale
TAM	Indian interior design & fit-out services	Very large, highly fragmented
SAM	Projects in served geographies & segments	City-bounded
SOM (Yr 1-3)	Projects deliverable at design capacity	~34 → ~82

The SOM constraint is worth naming because it is the thing that limits every design practice: capacity is senior designers, and senior designers are scarce, expensive and mobile. Unlike a manufacturer, this business cannot buy more capacity — it must hire and develop it, over years. Worse, **the same people who become capable of running projects independently are the people best placed to leave and start competing studios**, which is the normal life cycle of this industry rather than a failure of loyalty. **A studio's growth plan is therefore a hiring and retention plan**, and any projection of scale that does not account for where the senior designers will come from is describing an ambition rather than a business.

Target segments

- **Residential** — emotionally engaged clients, slow decisions, high revision pressure, weakest payment discipline; the volume base.
- **Commercial & office** — professional counterparties, defined briefs, better payment, genuine repeat business; grown deliberately from 28% to 30.5% of revenue.
- **Retail & F&B** — fast turnaround, rollout potential across outlets.
- **Hospitality** — design-intensive, prestige value for the portfolio, long cycles.
- **Developers & show apartments** — volume work that also functions as marketing.

5. Competition & Competitive Advantage

Landscape: a vast number of individual designers and small studios, architecture firms offering interiors, **turnkey design-and-build companies bundling design "free" against execution margin**, online and packaged interior platforms, and contractors who design informally. **The most difficult competitor is the one giving design away** — and understanding why they can is essential to competing with them.

The business's edge

- **Independent specification** — no vendor commissions, which means the client's money buys the best available option rather than the best-commissioning one.
- **Transparent fee basis** — staged and area-based rather than a percentage of spend, removing the incentive to over-specify.
- **Revision discipline** written into the contract, which protects both margin and the project timeline.
- **Site supervision as a paid service**, so the design that was approved is the design that gets built.
- **Segment breadth** — commercial and retail work smoothing the residential cycle and paying more reliably.

On the "free design" competitor, plainly: a design-and-build firm can waive the design fee because **it recovers the money in the execution margin, where the client cannot see it** — and because the same firm is choosing the materials it will itself supply, **the design fee has not been waived at all, merely relocated to a line the client does not audit**. That model is legitimate when disclosed and is genuinely convenient for many clients. The honest competitive

answer is not to disparage it but to explain the trade clearly: **an independent studio costs a visible fee and saves an invisible one, and clients spending seriously on a large project are usually able to work out which they prefer once someone tells them the choice exists.**

6. Services & Revenue Model

Service	Basis	Share
Residential design	Per sq ft / staged lump sum	~31% — volume base
Commercial & office design	Per sq ft / staged	Best payment behaviour
Retail & hospitality design	Project fee / per outlet	Rollout potential
Site supervision & project management	Monthly / % of duration	Separately charged, not free
3D visualisation, drawings & consultation	Per deliverable / hourly	Entry product

Charging separately for site supervision is a deliberate structural choice and is worth defending. Many studios fold supervision into the design fee, or offer it informally, and then discover that **the site consumes far more senior time than the drawings did** — every clarification, every contractor substitution, every measurement that does not match the drawing. Bundling it makes the fee look competitive and then destroys the margin quietly over the months of execution. Charging it separately does three useful things: **it makes the studio's economics visible, it gives the client a genuine choice about how much supervision to buy, and it means the studio is paid to be present at exactly the point where its design either happens or does not. A design that is drawn but not supervised will be value-engineered by the contractor and blamed on the designer**, which is the worst of every possible outcome.

7. Go-to-Market — Referral Is the Business

Winning work

- **Referral from completed projects** — the dominant channel in this industry by a wide margin, and the reason delivery quality is also the marketing budget.
- **Portfolio and photography** — professionally shot completed work, which is why photography is a funded line rather than an afterthought.
- **Social and digital presence**, where interiors perform unusually well as visual content.
- **Developer, builder and property-consultant relationships** for handover-stage introductions.
- **Corporate empanelment** for commercial and retail rollout work.

Converting it

- **A paid initial consultation** — which filters seriously-intending clients from those collecting free ideas, a genuine problem in this trade.
- **Clear scope and stage definition** at proposal stage, including what a revision is and how many are included.
- **Honest budget conversation early**, since most project failures trace to a brief and a budget that never matched.

Sales approach

Build the portfolio deliberately with photographable projects → charge for the first consultation → define scope, stages and revision limits in every contract without exception → deliver and supervise so the referral chain compounds → grow

commercial and retail share for payment reliability and repeat work → and **decline projects where the budget cannot deliver the brief**. That last discipline is the hardest and the most valuable: **a project taken on an inadequate budget will consume more design time than a good one, disappoint the client, produce no referral and no photograph, and end in a dispute about fees**. It is not a marginal loss — it is the single most reliably unprofitable thing a design studio can do.

8. Operations Plan (brief, concept, detail, specify, supervise)

- **Brief & budget:** requirement capture, site measurement, and an explicit budget conversation — **documented, because the brief-versus-budget mismatch is the origin of most disputes**.
- **Concept:** space planning, mood and material direction, preliminary layouts, presented for stage sign-off.
- **Design development:** 3D visualisation, finishes, joinery design and services coordination.
- **Detailing:** working drawings, joinery details, electrical and plumbing layouts, ceiling and flooring plans — **the deliverable a contractor can actually build from**.
- **Specification & procurement support:** material, fixture and FF&E selection, vendor comparison, **with no commission accepted from any supplier**.
- **Tendering support:** BOQ preparation and contractor comparison where the client wants it.
- **Site supervision:** periodic inspection, contractor coordination, snag lists, and quality sign-off against drawings.
- **Handover:** completion documentation, as-built drawings, warranties and photography.

Project stages

Stage	Deliverable	Control point
Brief	Requirement & budget documented	Brief-vs-budget match
Concept	Layouts & direction	Sign-off; revisions used
Develop	3D, finishes, joinery	Sign-off; revisions used
Detail	Working drawings & BOQ	Drawing completeness
Supervise	Site inspection & coordination	Site visits vs. contracted
Hand over	Snags cleared, as-builts, photos	Final collection; referral

Revision control is where design practices lose money, and the mechanism is worth setting out precisely because it is so easy to miss. A revision costs the client nothing and costs the studio a designer's day. **The client is not being unreasonable — they genuinely cannot see the cost**, and each individual request is small. But across a project, unbilled revisions routinely exceed the original design fee, and because the time is absorbed rather than invoiced, **the studio experiences it as "we are always busy and never profitable" without ever identifying the cause**. The remedy is contractual and unremarkable: **defined stages, formal sign-off at each, a stated number of revisions included per stage, and a published rate for revisions beyond it**. Crucially, **the point is not to earn revision income — it is to make the cost visible so that the client can choose**. In practice most clients, once they know a revision has a price, ask for fewer and decide faster, which serves the project as well as the fee.

9. Regulatory, Licences & Professional Conduct (India)

- **No statutory licence** is required to practise interior design, and the title is unprotected — **but "architect" is protected, and using it without Council of Architecture registration is an offence under the Architects Act.** Be precise in naming the practice and describing staff qualifications.
- **Structural & services work:** engage a **registered architect and qualified structural engineer** for anything touching structure, envelope or major services. **An interior designer altering a load-bearing element is outside their competence and their insurance.**
- **Approvals:** society NOC, municipal permission for structural or facade change, **fire NOC for commercial premises**, building-management fit-out rules, and developer fit-out guidelines in newer projects.
- **Contracts:** scope, stage sign-offs, **revision limits and rates**, payment stages, IP in drawings, and liability limitation.
- **Disclosure: a written policy on vendor commissions — this plan accepts none, and says so to clients in writing.** Where any studio does accept them, disclosure and credit to the client is the only defensible position.
- **Professional indemnity insurance**, since a specification or coordination error can cost multiples of the fee.
- Establishment, GST and labour compliance; site safety obligations where the studio directs work.

10. Organisation & Manpower Plan

Role	Yr 1	Yr 2	Yr 3
Promoter / principal designer	1	2	2
Designers (senior & junior)	14	24	38
Drafting & 3D visualisation	6	10	16
Site supervision & project coordination	5	9	15
Client servicing & business development	3	5	8
Procurement & material research	2	4	7
Admin, accounts & office	3	5	8
Total	34	59	94

Site supervision grows threefold against a 2.6× revenue increase — deliberately faster, because supervision demand scales with projects *in execution*, which lags design by months and is the phase most likely to be under-resourced by a growing studio.

11. Implementation Timeline & Milestones

Phase	Timeline	Milestone
Setup	Month 0–3	Studio, sample library, software, team, contract templates, commission policy
Ramp	Month 3–12	~34 projects; ₹2.9cr revenue, ₹20L loss; portfolio built
Grow	Year 2	Utilisation to 70%, commercial share rising; ₹4.85cr, ₹20L profit
Scale	Year 3	₹7.55cr revenue, ₹82L profit; ~82 projects, 68% of excess revisions billed

12. Financial Plan (Illustrative)

All figures are illustrative model assumptions for an Indian context, shown so the promoter can replace them with live rates. **Designer utilisation, fee realisation per project, revision recovery, segment mix & salary cost are the levers – and utilisation is the one that decides the year.**

12.1 Project cost & means of finance

Capital requirement	₹
Working capital (salaries & receivables funding)	34,00,000
Studio setup, sample library & material display	18,00,000
Technology (CAD, 3D/render, BIM, project management)	12,00,000
Team building, recruitment & training	8,00,000
Brand, portfolio, photography & website	7,00,000
Legal, registrations & launch	4,00,000
Site supervision vehicles & equipment	2,00,000
Total project cost	85,00,000
Promoter contribution	45,00,000
Working-capital finance	25,00,000
Term loan	15,00,000

12.2 Projected Profit & Loss (3 years)

Particulars	Year 1	Year 2	Year 3
Residential design fees	1,08,00,000	1,62,00,000	2,35,00,000
Commercial & office design fees	82,00,000	1,45,00,000	2,30,00,000
Retail & hospitality design fees	45,00,000	82,00,000	1,40,00,000
Site supervision & project management fees	38,00,000	68,00,000	1,05,00,000
3D visualisation, drawings & consultation	17,00,000	28,00,000	45,00,000
Total revenue	2,90,00,000	4,85,00,000	7,55,00,000
Salaries (designers, drafting, site, admin)	1,72,00,000	2,72,00,000	4,05,00,000
Studio rent, overheads & insurance	32,00,000	44,00,000	62,00,000
Marketing, photography, portfolio & BD	26,00,000	34,00,000	46,00,000
Site travel, supervision & vehicle	24,00,000	36,00,000	52,00,000
Technology, software licences & rendering	22,00,000	32,00,000	44,00,000
Sampling, mock-ups & material library	14,00,000	20,00,000	28,00,000
Depreciation, interest & other	12,00,000	16,00,000	20,00,000

Professional fees, legal & compliance	8,00,000	11,00,000	16,00,000
Total expenses	3,10,00,000	4,65,00,000	6,73,00,000
Net profit / (loss) before tax	(20,00,000)	20,00,000	82,00,000
Net margin	(6.9%)	4.1%	10.9%
Salaries as % of revenue	59.3%	56.1%	53.6%
Designer utilisation	62%	70%	76%
Excess revisions billed (of those incurred)	22%	48%	68%
Vendor commissions accepted	NIL	NIL	NIL
Commercial + retail share of revenue	43.8%	46.8%	49.0%
Projects completed	~34	~55	~82

12.3 Unit economics & break-even

- **Utilisation is the whole business.** Salaries are 53–59% of revenue and are paid whether or not a designer is on a chargeable project. Moving utilisation from 62% to 76% is worth more than any fee increase the market would accept, and it is entirely within management control.
- **Revision recovery is nearly pure margin** — the time is already being spent; billing it converts an absorbed cost into income. The rise from 22% to 68% contributes materially to the swing from loss to profit.
- **Commercial and retail work is worth more than its fee suggests** — briefs are defined, revisions fewer, payment more reliable, and rollouts repeat. Grown deliberately to 49% of revenue.
- **Site supervision charged separately protects the margin** that bundled supervision quietly destroys over the execution months.
- **Break-even: Year 2. Year 1's loss is structural: a studio must hire designers before it has the projects to occupy them,** and the portfolio that generates referrals does not exist until the first projects complete and are photographed.

12.4 Projected Cash Flow — Year 1 (quarterly, illustrative)

Particulars (₹)	Q1	Q2	Q3	Q4
Opening balance	38,00,000	22,00,000	12,00,000	6,00,000
Collections	62,00,000	66,00,000	70,00,000	74,00,000
Salaries, studio, technology & overheads	78,00,000	76,00,000	76,00,000	68,00,000
Closing balance	22,00,000	12,00,000	6,00,000	12,00,000

The cash problem in a design studio is specific: salaries run monthly while fees arrive at stages, and the last stage is the hardest to collect. Design fees are typically structured with an advance and payments at concept, detailing and completion — but **by the time the final instalment falls due, the client has their drawings, the site is under way, and the studio's leverage has largely gone.** Residential clients in particular are prone to withholding the final payment against snags that belong to the contractor. **Three disciplines follow. Weight the fee toward the front** — a meaningful advance and substantial payment at concept sign-off, when the client is most engaged and the studio still holds the deliverables. **Release drawings against payment**, which is normal professional practice and is far easier to state at contract stage than to introduce mid-project. And **invoice site supervision monthly in arrears rather than at**

completion, since it is a continuing service and monthly billing keeps the relationship current instead of accumulating a large sum that becomes negotiable at handover.

12.5 Key Performance Indicators to Monitor

- **Practice: designer utilisation**; fee realised vs. quoted per project; projects per designer; concept-to-detailing cycle time.
- **Discipline: excess revisions billed vs. incurred**; stage sign-offs obtained on time; scope changes documented; projects declined on budget mismatch.
- **Integrity: vendor commissions accepted (target: nil) and disclosure statements issued**; specification comparisons documented.
- **Commercial**: referral share of new projects; commercial + retail mix; final-installment collection days; PI claims and coordination errors.

13. Funding Requirement & Bankability

Total ask: **₹25 lakh working-capital finance plus ₹15 lakh term loan** against ₹45 lakh promoter contribution. This is an asset-light professional practice, so a lender should read the substance rather than the security. **First, working capital funds a payroll-versus-stage-fee gap and essentially nothing else** — the facility should be sized to roughly two months of salary cost. **Second, there is little to hypothecate**; the assessable assets are the portfolio, the client pipeline and the design team, which argues for MSME and CGTMSE routes rather than secured lending. **Third, the credit question specific to design practices is key-person concentration**: in Year 1 the promoter is the practice, and **a studio that has not built a second and third designer capable of leading projects is a personal-service business with staff, not an enterprise** — so the ratio of projects led by people other than the founder is a more useful indicator of durability than any margin. **Fourth, the commission policy is a credit factor and not merely an ethical one**: a studio funded by undisclosed supplier commissions has revenue that is invisible in its accounts, unreliable, and liable to vanish the moment a client discovers it — **a practice charging proper fees is both more honest and more bankable**.

13.1 Funding utilisation

Use of funds	₹	% of total
Working capital (salaries & receivables funding)	34,00,000	40.0%
Studio setup, sample library & material display	18,00,000	21.2%
Technology (CAD, 3D/render, BIM, project management)	12,00,000	14.1%
Team building, recruitment & training	8,00,000	9.4%
Brand, portfolio, photography & website	7,00,000	8.2%
Legal, registrations & launch	4,00,000	4.7%
Site supervision vehicles & equipment	2,00,000	2.4%
Total	85,00,000	100%

14. Risk Analysis & Mitigation

Risk	Mitigation
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Unbilled revisions consuming the fee	Design is infinitely revisable and the client genuinely cannot see the cost. Defined stages with formal sign-off; stated revisions included per stage; published rate beyond it — the point is not revision income but making the cost VISIBLE so the client can choose ; track billed-vs-incurred (22% → 68%)
Fee-basis conflict of interest	A percentage of project cost pays the designer more for specifying expensively. Use staged and per-sq-ft fees; if a percentage basis is ever used, disclose the incentive to the client in writing
Vendor commissions corrupting specification	Accept none, and say so in writing. The only alternative defensible position is disclose-and-credit — a studio taking undisclosed commissions is a supplier's sales channel wearing a design badge
Design not built as drawn	Charge for supervision separately and staff it ahead of growth; snag lists and sign-offs against drawings — a design drawn but not supervised gets value-engineered by the contractor and blamed on the designer
Senior designers leaving to start competing studios	The normal life cycle of this industry, not a failure of loyalty. Build progression, profit participation and named-designer credit; document standards so capability is institutional; plan growth as a hiring and retention plan
Brief-versus-budget mismatch	Explicit documented budget conversation at brief stage; decline projects the budget cannot deliver — they consume more time than good ones and end in fee disputes
Final-instalment collection	Front-weighted fee schedule; drawings released against payment; supervision invoiced monthly in arrears; final stage kept small
Low utilisation between projects	Segment mix smoothing residential cycles; standalone visualisation and consultation work as fill; pipeline visibility ahead of hiring
Working outside professional competence	Engage a registered architect and structural engineer for structure, envelope or major services; never use the title "architect" without COA registration — it is an offence ; carry professional-indemnity cover
Free-design competition from design-and-build firms	Explain the trade honestly — the fee has not been waived, only relocated to the execution margin the client does not audit ; compete on independence and transparency, not by disparaging a legitimate model

15. SWOT Analysis

Strengths Asset-light with low capital requirement; independent specification is a genuine and explainable differentiator; separately-charged supervision protects margin; referral compounding once the portfolio exists; commercial and retail work provides payment reliability and repeat business; strong margin expansion available purely through utilisation.	Weaknesses Capacity is senior designers, who are scarce, expensive and mobile; salaries 53–59% of revenue with no operating leverage; revenue vulnerable to unbilled revisions; final-instalment collection risk; nothing to hypothecate; acute key-person dependence in the early years.
Opportunities Apartment handovers creating near-automatic fit-out demand; hybrid-work office redesign; retail and F&B rollouts; hospitality refurbishment cycles; tier-2 city growth; clients increasingly willing to pay for independent advice once the commission model is explained to them.	Threats Design-and-build firms bundling design "free"; packaged online interior platforms at fixed prices; designers leaving to compete; residential payment behaviour; commoditisation of visualisation through cheaper tools; economic slowdown hitting discretionary fit-out first.

16. Recommended AiSevak Tools for This Business

This interior design studio would use AiSevak's Interior vertical tools in operations:

- **Practice: designer utilisation and chargeability tracking**, fee-realised-vs-quoted per project, project-per-designer load, stage cycle times.
- **Discipline: revision register with billed-vs-incurred tracking**, stage sign-off log, scope-change documentation, declined-project register with reasons.
- **Integrity: vendor-commission policy declaration and specification-comparison records**, client disclosure statements.
- **Delivery: site-visit vs. contracted schedule, snag tracking, drawing-issue register, as-built and handover checklist.**
- **Finance: stage-billing and collection tracking, payroll-vs-fee cash planning, Business Plan and break-even tools (with Finance vertical).**

17. Key Assumptions & Notes

- Interior design studio: concept & space planning, working drawings, 3D visualisation, material/FF&E specification, procurement support, tendering support and site supervision, across residential, commercial office, retail and hospitality, plus standalone visualisation and consultation.
- **△ OPENS THE INTERIOR VERTICAL — the FEE-BASED DESIGN model (asset-light, sells hours and drawings).** The vertical splits into FOUR economically distinct models and conflating them is the standard error: (a) **FEE-BASED DESIGN**, (b) **TURNKEY CONTRACTING** (project-risk: retention, variations, client-caused delay), (c) **PRODUCT MANUFACTURING** (factory economics), (d) **TRADING/BRAND** (inventory and channel).
- **THE CENTRAL REVENUE QUESTION IS THE FEE BASIS, AND IT IS A CONFLICT OF INTEREST, NOT A PRICING PREFERENCE. A percentage of project cost (8-15%) means the designer's income RISES WITH THE CLIENT'S SPEND**, so every choice between a ₹4,000 and a ₹12,000/sq ft finish is one the designer profits from getting wrong in the client's terms; per-sq-ft is neutral; **staged lump sum is cleanest because it prices the WORK not the OUTLAY**. This plan uses staged + per-sq-ft and says why: **a design practice's product is JUDGEMENT, and a fee structure that pays more for expensive judgement corrupts the only thing the client is actually buying.**
- **THE SECOND CONFLICT IS LARGER, MORE COMMON AND ALMOST NEVER DISCLOSED: VENDOR COMMISSIONS.** Furniture, tile, sanitaryware, lighting and modular suppliers routinely pay designers a commission on what gets specified, so **a client who believes they are receiving independent advice is PAYING FOR IT TWICE — once in the fee and again in the inflated specification.** Only two defensible positions: **refuse entirely and charge a proper fee, or accept, DISCLOSE, and CREDIT to the client's account.** This plan takes the first (commissions accepted: NIL, shown as a P&L line). **A studio taking undisclosed commissions is not a design practice — it is a SUPPLIER'S SALES CHANNEL WEARING A DESIGN BADGE**, and its recommendations should be read accordingly. Lender note: this is a CREDIT factor too — **a studio funded by undisclosed commissions has revenue invisible in its accounts, unreliable, and liable to vanish the moment a client discovers it.**
- **THE OPERATIONAL PROBLEM THAT QUIETLY DECIDES PROFITABILITY: DESIGN IS INFINITELY REVISABLE AND THE CLIENT GENUINELY CANNOT SEE THE COST.** A revision costs the client nothing and costs the studio a designer's day; each request is small; but **across a project unbilled revisions routinely EXCEED THE ORIGINAL DESIGN FEE**, and because the time is absorbed rather than invoiced **the studio experiences it as "we are always busy and never profitable" WITHOUT EVER IDENTIFYING THE CAUSE.** Remedy: defined stages, formal sign-off, stated revisions included per stage, published rate beyond. **Crucially THE POINT IS NOT REVISION INCOME — IT IS TO MAKE THE COST VISIBLE SO THE CLIENT CAN CHOOSE;** in practice most clients, once a revision has a price, ask for fewer and decide faster, which serves the project as well as the fee. Tracked as a headline KPI (22%→68% billed).

- **CHARGE FOR SITE SUPERVISION SEPARATELY.** Many studios bundle it and then find **the site consumes far more senior time than the drawings did** — bundling makes the fee look competitive and destroys margin quietly over months of execution. Charging separately makes the economics visible, gives the client a real choice, and pays the studio to be present **at exactly the point where its design either happens or does not** — **because A DESIGN DRAWN BUT NOT SUPERVISED GETS VALUE-ENGINEERED BY THE CONTRACTOR AND BLAMED ON THE DESIGNER.** Site team grown 3× against 2.6× revenue since supervision demand scales with projects IN EXECUTION, which lags design by months.
- **CAPACITY IS SENIOR DESIGNERS — SCARCE, EXPENSIVE AND MOBILE — AND THE SAME PEOPLE WHO BECOME CAPABLE OF RUNNING PROJECTS INDEPENDENTLY ARE THOSE BEST PLACED TO LEAVE AND START COMPETING STUDIOS.** That is the **NORMAL LIFE CYCLE** of this industry, not a failure of loyalty → a studio's growth plan IS a hiring and retention plan, and **any projection of scale that does not account for where the senior designers will come from is describing an ambition rather than a business.** Lender's durability test: **the ratio of projects led by someone OTHER than the founder** — a studio without a second and third project-leading designer is a **personal-service business with staff, not an enterprise.**
- **UTILISATION IS THE WHOLE BUSINESS** (salaries 53-59% of revenue, paid whether or not a designer is chargeable): moving 62%→76% is worth more than any fee increase the market would accept and is **entirely within management control.** Revision recovery is nearly pure margin (time already spent). **DECLINE PROJECTS THE BUDGET CANNOT DELIVER — the hardest and most valuable discipline,** since such a project **consumes MORE design time than a good one, disappoints the client, produces no referral and no photograph, and ends in a fee dispute: the single most reliably unprofitable thing a design studio can do.**
- **ON THE "FREE DESIGN" COMPETITOR, PLAINLY:** a design-and-build firm waives the design fee because it recovers the money in the **EXECUTION MARGIN** where the client cannot see it — and since it is choosing materials it will itself supply, **THE FEE HAS NOT BEEN WAIVED AT ALL, MERELY RELOCATED TO A LINE THE CLIENT DOES NOT AUDIT.** That model is legitimate when disclosed; the honest answer is not to disparage it but to explain the trade — **an independent studio costs a visible fee and saves an invisible one.**
- Regulatory point widely misunderstood: **there is NO statutory licence to practise interior design in India and the title is UNPROTECTED — but "ARCHITECT" IS PROTECTED and using it without Council of Architecture registration is an OFFENCE under the Architects Act;** engage a registered architect and structural engineer for anything touching structure, envelope or major services, since **an interior designer altering a load-bearing element is outside their competence AND their insurance.** Cash: **salaries run monthly while fees arrive at stages, and the LAST stage is hardest to collect — by then the client has the drawings, the site is under way, and the studio's leverage has gone** → front-weight the fee, **release drawings against payment** (easier to state at contract stage than introduce mid-project), and **invoice supervision MONTHLY IN ARREARS rather than at completion, so it never accumulates into a large sum that becomes negotiable at handover.** ₹85L, ~34→82 projects, rev 2.9→7.55cr, Y1 →₹20L → Y3 ₹82L. **Y1 loss is structural — a studio must hire designers BEFORE it has projects to occupy them, and the portfolio that generates referrals does not exist until the first projects complete and are photographed.** Figures illustrative, exclude GST.

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