



Price your service right!

When it comes to pricing your service, there are some key factors to consider. Let's dive in!

Frequency of Service and Repeat Business

How often do your clients utilize your service and can you expect a high volume of repeat business? Do your clients use your services monthly, and can you expect to see the same core client base from month-to-month? This impacts your pricing.

Or maybe your clients come to you for a specific project or solution, and once the service or solution is provided, they won't continue to use your services. These types of services tend to be priced higher.

Familiarity of Service

Do your clients know they need your service, and are they actively looking for it?

Perhaps your service requires more client education to get hired. The more educating you must do, the more likely you'll need to charge higher rates for your service.

Billable vs. Non-billable Hours

Billable hours are those hours you spend face-to-face with your client, or directly working on their project. You get paid for these hours. When calculating your pricing, it's important to also know your non-billable hours, which are those hours you don't get paid for. Your rate for billable hours must be enough to compensate you for your TOTAL hours.

Overhead Expenses

Your pricing needs to cover the cost of your overhead expenses in addition to your total hours. Consider what you need to pay for rent, supplies, advertising and marketing, software and apps you use for your business, etc.



Are you charging enough?

Let's discuss the top 3 mistakes service providers make when pricing their services.

If you're like most of the people I work with, you're worth \$10,000 or more than you're currently earning. You're already providing that value- you just aren't getting paid for it. At least, not yet. Most of the entrepreneurs I work with are doing amazing work and aren't getting paid what they're worth because they are pricing their services too low.

Mistake #1: Trading time for money

Think of your pricing in the terms of a total compensation package. When you're a salaried employee, you don't account for every hour- your income is based on your cumulative efforts and results. Additionally, benefits such as paid time off, holiday pay, insurance, and retirement plans, are included as part of your compensation package.

Mistake #2: Selling the service you provide

Instead of selling the service you provide, sell the solution. Let me put it this way... if you're living paycheck-to-paycheck, do you really want to listen to a pitch about how awesome career coaching is and how it works? Most people start listening when I start talking about increasing their income \$10,000. That extra income is the solution, not the service.

What problems do you solve for your clients? What is your solution and why is it the best solution?

Mistake #3: Working for free

The more you value your time, the more other people will value your time. It becomes easier to price your services appropriately high when you aren't giving so much away for free, and I promise you the right clients are willing to pay your appropriately high price the more you value your time!



Let's run numbers! (Math is your friend!)

Pricing can be subjective, and it's not just about what you think your client will pay, so let's look at some numbers and see where you might want to start your pricing.

How many hours do you want to work per week? _____

How many weeks do you want work this year? _____

How many of your weekly hours will be billable vs. non-billable? _____

How much do you want to pay YOURSELF this year? _____

Number of "working" weeks this year: _____

Multiply by weekly billable hours: _____

Equals your total annual billable hours: _____

Annual salary/draw you're going to pay yourself: _____

Divided by the total annual billable hours: _____

Equals your minimum billable hourly rate: _____

How does that minimum billable hourly rate look to you? Does it seem high? Low? About right? This doesn't have to be your actual billable hourly rate, but it's a helpful figure to consider, especially as this calculation does not include your overhead expenses.

If the minimum billable hourly rate you calculated won't work for you or your business, then you may need to consider what other factors might need to shift. If these numbers don't work, I recommend you discuss your business plan and strategy with an SBDC consultant or outside business coach.

What is your biggest takeaway from today's pricing workshop?

What's the next step you are going to take with what you've learned today?
