

Can You Afford to Get Pricing Wrong?



Susan Trivers

SWIPE



Don't believe most of
what you read about
pricing!



KEEP SWIPING

Pricing Strategy and Pricing Model

are two different things.

If you don't know the difference
how can you price correctly?



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**Why am I talking about
language
in a Pricing post?**

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**Because the language
around pricing is
horribly mixed up.**

•



**I'm setting
the record
straight
today.**



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Pricing Strategy defined:



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Pricing strategy is the
RULE you follow to
determine actual
prices or fees.



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**There are
two
possible rules.**



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**1. Prices and fees
reflect *time*
worked on the
matter.**



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“We track every minute spent on a client's matter and charge for that time.”



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2. Prices and fees
reflect the
IMPACT (life
changing
differences) the
firm delivers to
our clients.



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“Our fees and prices are proportional to the life changing differences we deliver.”



Pricing Models defined:



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Pricing models are
methods for
implementing your
rule.



**The most
comon
time-based
pricing model is
Hourly Billing**



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**Hourly billing rates
are set by adding
costs + profit and
dividing by the
number of hours.**



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Other considerations include:

- **Competitor's prices**
- **Dynamic pricing**
- **Premium pricing**



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The client or buyer does not figure into any of these models.

Only the firm's costs of goods, personnel, overhead, and operations + profit.



IMPACT Based Pricing model



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This is the only pricing model that puts the client's needs, wants, and desires first.



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IMPACT Based
Pricing allows you to
set a
minimum fee.



There is no upper
limit.

Each offer is unique.



It is the model that
gauges not only the
IMPACT delivered
but the *significance*
of that IMPACT.



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**When fees are truly
proportional to the
IMPACT, both the
client and the firm
benefit.**



**As firms accumulate
more expertise and
successfully deliver
life changing
differences, their fees
rise.**



**Costs do not rise
because their existing
associates are capable
of delivering greater
IMPACT.**



**They attract clients
with needs, wants,
and desires that have
greater significance.**



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I am wholeheartedly in favor of IMPACT Based Pricing for professional and business services firms.



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**With your time
based pricing
strategy you
won't know:**



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- **What makes a difference to clients**
- **How significant those differences are**
- **How much more revenue you could earn.**



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**Why bind yourself
to hourly billing
that puts hard
brakes on growth?**



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If it's time for a change of your firm's pricing strategy, pick a date and time on my calendar for a virtual Coffee.



MORE

Don't just read-ACT!

Susan Trivers

Pricing Strategist

**Getting pricing RIGHT for
professional and business
services firms.**

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