

Are your prices *right*?

FREE PRICING GUIDE



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Welcome!

If we haven't met before, I'm Tamra Halley the founder of Star Taxes and Books, and I'm so excited that you're here!



One of the biggest things I see entrepreneurs mess up on when they start their business is pricing their offerings strategically.

It's easy to want to price as low as possible to get your foot in the door, but how can you handle increasing your prices later on? This guide will discuss basic pricing strategies and how to navigate price increases!



ASK YOURSELF THESE

Pricing Questions

- How much does your product/service cost to produce?
- What is your target audience willing and able to pay for your product/service?
- Are there any hidden costs you need to account for? (*Like sales tax, payment processing, and onboarding fees*)
- What do you need to charge to feel like providing your product/service is worth it?
- Does your price take into account the years of experience and education you have?
- Does a subscription model make sense?



PRICING STRATEGIES

Cost-Plus Pricing

WHAT IS IT?

An easier way to think of the cost-plus pricing method is that you're adding a mark-up!

PRICE EQUATION

Costs to Produce + Markup = Price

WHO DOES IT WORK WELL FOR?

Using a cost-plus pricing model works great for physical products to cover your cost of goods sold.

WHAT ARE THE CONS?

This method may not account for the full value you add in a service-based business. Additionally, your mark-up could put the price out of the range your customers are willing to pay for your product.



PRICING STRATEGIES

Hourly Pricing

WHAT IS IT?

This one's pretty straightforward - you'll charge your customers your hourly rate.

PRICE EQUATION

Hourly Rate x Hours Worked = Price

WHO DOES IT WORK WELL FOR?

This method is great for service-based businesses to account for the total amount of time spent on a project.

WHAT ARE THE CONS?

Determining your hourly rate can be tough! You need to account for both your fixed and hourly costs. If you're able to complete projects very quickly, you may need to raise your hourly rate to be fairly compensated.



PRICING STRATEGIES

Project-Based

WHAT IS IT?

You'll provide a quote for a project based on the scope of work and project requirements.

PRICE EQUATION

Your Custom Quoting Method

WHO DOES IT WORK WELL FOR?

This method is great for service-based businesses to ensure you're accounting for the full scope of work of a unique project.

WHAT ARE THE CONS?

If you underestimate your ability to complete the scope of work, you may take a loss on a project. This pricing method is more time-consuming because it's not a one-size-fits-all approach.



PRICING STRATEGIES

Competitive Pricing

WHAT IS IT?

Your prices would be based on your competitors' prices.

PRICE EQUATION

Competitor Research Required

WHO DOES IT WORK WELL FOR?

If your business sells similar products that can be easily compared to your competitors' products, this method is great!

WHAT ARE THE CONS?

You'll need to do a lot of research to ensure your products/services are of equal quality to your competitors. If you have costs that your competitor doesn't, this pricing method could result in a lower profit margin.



TIPS FOR HANDLING

Price Increases

COMMUNICATE EARLY

Communicating price increases well in advance of their effective date helps your customers adjust their expectations

FOCUS YOUR MESSAGING

Increase your marketing on the additional value your clients will be receiving with the increased price.

GRANDFATHER EXISTING CLIENTS

Consider allowing current clients to keep their lower rates as a reward for their loyalty. New clients will be subject to your increased prices moving forward.



Questions?



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