

How Much Should You Charge for Services?

So you're really good at something and friends and family are now telling you that you should start a business! That's a very exciting concept; I know I've been there! The creative side of you starts overflowing with ideas and you can't wait to start selling your services, but if you're anything like me you dread the inevitable question...."how much do you charge? "Nothing makes me more uncomfortable than having to give someone a final price for a job.

Over the years I've questioned myself as to why I feel so uneasy about charging for services I've provided, and it finally dawned on me that I feel uh... kind of guilty charging clients for doing something that brings me pure joy! Consequently, I've underpriced myself and at times even lost money in doing a job, partially because I tend to over deliver without building the cost into my price. I've had to work really hard to get past this and while It's getting better it's still a work in progress!

So how do you price yourself, what's fair? Here are some guidelines that I've used through the years that help in turning your passions and hobbies into a profitable business!

- Always buy wholesale and in bulk, apply for a FEIN # or whatever your local wholesalers needs in order to offer you discounted pricing.
- Just because an item cost you \$10, doesn't mean you have to charge \$10...you had to travel to buy it, use your time to buy it, deliver it, clean it, prepare it etc...
- Always take your time into account, if your spending three hours setting up and tearing down a party build it into you cost.
- Never ever grossly underprice your event to try to get the sale, your product may be perceived as inferior, Instead be competitive with your competition
- While over delivering is good, make sure you build it into your initial cost, you don't have to give your client every great detail upfront, something's should be a pleasant surprise
- Remember just because something comes naturally to you, doesn't mean you should charge any less for it. You are talented and people will recognize that and pay for it!

I'll leave you with a quick story..... Many years ago I had a Floral Design business in Chicago and weddings were our primary source of business. During a floral consultation, the Mother of the Bride questioned a price I quoted for a vase; these were tall glass cylinder vases used for centerpieces. She asked me why I was charging \$20 a piece when she could get them at a local craft store for \$16 each. She quickly did the math and calculated that she would save \$120 if she bought all 30 vases herself. I respectfully told her that was fine by me, however if she didn't want to pay any additional fees for these vases she would have to ensure that she had an appropriate vehicle to pick up and deliver all 30 vases to the event at the exact time I needed them, make sure they were sparkly clean, disinfected with bleach (this ensures flowers will not wilt) have all labels removed, oh and since these were her vases she would have to pick them up after the event as well! It took only a few minutes before she decided that the time and effort involved in trying to do this herself was not worth the \$120 in savings! Moral of the story ...Be fair to your customers and yourself as well as well!