

How to Charge your Worth (and get it!)

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CCH Learning:

Hello everybody and welcome to today's webinar, How to Charge Your Worth and Get It. I'm Susannah Gynther from Wolters Kluwer CCH Learning and I will be your moderator for today. Just a few quick pointers before we get started. If you're having sound problems and you can actually hear me, please toggle between audio and phone. Hopefully you can see what I'm talking about on the screen.

If you're looking for the PowerPoint for today's session, I'm really sorry, there seems to be some sort of little technical hitch and I can't seem to add it into that handout section where we normally put it. However, it is available on the platform where you pressed the join button. It should be available there in the file repository section. So if you're looking for the presentation, that's where it will be as is also the supplementary documentation for today.

Just also a reminder that shortly after the session, you will receive an email letting you know that e-learning recording is ready to be viewed. You can ask questions at any point during the presentation by sending them through the questions box. I will collate those questions and ask them at the Q&A towards the end of today's presentation. CCH Learning also offers a subscription service, which many people have termed Netflix for professionals. It provides members with access to our entire library of recordings as well as live webinars for a competitive flat fee, that's for over 500 hours of content.

For CPD purposes, your viewing is logged automatically. Your presenter today is Dr. Abbie Widin, a consultant with Go To Market Company. Dr. Abbie Widin runs the successful boutique consultancy and designs go-to-market strategies. She coaches sole practitioners and professional firms and helps them identify their highest potential clients, package their services and set their fees. She also helps them stay focused on their most effective business development opportunities. She's also a director of both public and private Australian companies. I will now hand you over to Abby to commence today's presentation.

Dr. Abbie Widin:

Thank you very much Susannah. I shall show my main screen and hopefully you can see today's session will cover.

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Yes.

Dr. Abbie Widin:

Great. So thank you for joining me. I know that giving up your early afternoon, it's an investment of time that you're putting into this. Let's talk about how to stop undercharging and over-delivering. If you're finding that the forces in the market, your customers, your competitors, maybe even yourself commoditizing what you offer, you can't position yourself as being some premium or exclusive or having a niche in the market, you might find that you feel that you're giving away too much.

Your boundaries are a little bit fluid and it may be that has been some time since you looked at your prices. There may have been some external factors where you thought, "Well, I can't put my prices up on my very loyal customers, but unfortunately you've looked around and the prices of everything else have changed." So today we're going to have a look at, we're going to start with a bullet point even before this which is figuring out how much money you want to be bringing in, how to select a profitable niche, how to create a system for setting and reviewing your fees.

You also want to know how and when to discuss your fees and how to communicate your value. So we're going to talk through an initial conversation where somebody walks in and they say, "So thanks so much for meeting, now what do you charge?" And how to defer and deflect that question until you get to the point where you've established the value that's being offered before you talk about the price. All right, let's jump into it. I'm very excited.

I seem to be going, there we are. Forwards now. So let's talk first about what is undercharging. Undercharging is when you know that you should be better rewarded for what you do. You walk in and if all of these transactions are some an exchange, you give the services that you have to offer. Somebody gives you some cash or kind back and you know whether that feels fair or not. And so if you feel as if you should be better rewarded, it probably doesn't feel fair.

It might be that you started off with some beginners rates and never changed them over time or you've looked around the market and you've thought what I offer is the same as everybody else's, so therefore I should charge the same as everybody else or maybe even a little bit cheaper just to try to get an angle on it. If the client comes in and they say, "I've been told to go and get three quotes ..." And this is where I'm talking about you've been commoditized, your people want to compare apples with apples and so you've tried to be competitive, you're slightly less than the average versus the benchmark.

Now on the other hand, over-delivering is where you put more in than you're getting back. This might be where you accept a change of scope. You've set the scope up front. You've said, I'm going to deliver this, and the client says to you, "But would you mind just doing this little bit extra as well?" And you've got a fixed fee arrangement and you don't go back to them and say, "That's going to cost you a little bit extra." Of course I can do it, you really want to help, but it's going to cost you a couple of dollars more or even worse is when you yourself realise that this client would be in a better position if you do this extra work and then you don't even tell them that you've done the extra work and so you are over-delivering without not even emotional recognition back.

You might be working a rush job. So the client says, "I need you to turn this around." They call you at 4:45 or even better at 5:02. They say, "I need this by 8:30 tomorrow morning." And so you say, "I can help you with that because I know how important it's for you. After all, the relationship is the most important thing and you don't put any urgent fees or rush job or overnight fees." And then you don't get the downtime that you need. You don't get the time to reconnect with your family and everything ends up being very busy.

You don't get enough sleep, you're not refreshed for the day ahead and you don't get any reward for that, and I mentioned that we changed the scope and do the extra work. So that's the undercharging note delivering. At the end of the day, you know when you're doing it, why is it a problem? You end up working too many hours for too little money, that then causes you to eventually burn out, which means you discover that you weren't really worth it after all. So it is about the money, but it's also not about the money.

So when you've got a bigger income on a very practical tangible sense, it has a material impact. You can upgrade your own skill set and capabilities, you can invest in training, you can hire better people. Now, nobody's perfect, but sometimes you meet somebody and you're like, "That's somebody who can help me more than your average punter." You can buy some pretty sparkly bubbly things. There's no judgement from this little pulpit.

You can invest in some education, you can build an amazing art collection, travel, all sorts of tangible things and when you're rewarded for the contribution that you make in the world and then you know that what you've put out there is valued and then you feel valuable as a result of that, and that's where it's not about the money, it's because people think that you are worth something more substantial and that plays back into your own sense of self-esteem and self-worth. So Susannah, we might just do a poll very quickly.

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Certainly Abbie. So do you undercharge and over-deliver? A, very often and I need to fix it. B, generally whenever my client asks. C, sometimes, but when I do, it's my choice. Yes or D, never. I'm just here to sharpen the saw. So I'm going to launch the poll and if you could please put a click in the radio button next to the answer that best describes your situation, that would be really great.

And just a reminder while you're doing that poll that if you do have any questions throughout this presentation, please put them into the questions box and we'll get to those questions at the end of the presentation. I'll just give you a few more moments to get your votes in and then we will close that vote. Okay, I'm going to close the vote and let's have a little look. So 44% said A, very often. 28% said generally, and another 28% said sometimes. Back to you Abbie.

Dr. Abbie Widin:

Okay. So the people who say yes sometimes, but it's my choice. Even when it's your choice, I do hope that you're being recognised and rewarded for that and for the other people, very often and generally, let's see if this next part of the hour helps you be more conscious with your boundaries and ideally, tighter with them. So step one, select a profitable niche.

So what I was talking before about the market is trying to commoditize you. If you are offering bog-standard services that anyone can offer, it's going to be very easy for someone to go to three providers and say all three if you do exactly the same thing. Just tell me how much it's going to cost to get this done. And unless you've got some relationship, extraordinarily charismatic or you're offering the right type of biscuits with the coffee when they come in, there's going to be nothing to differentiate you.

Referrals obviously help, but in general, they're making the decision based on price and you've got to get them out of that as soon as you can. Different clients have different reasons for choosing someone. They might have different criteria including how quickly you can turn someone around, how many resources you yourself have to put on this, the software that you use and the way that you transfer information.

You can have different expectations of the outcome and so what you think is a reasonable thing to deliver, they may have something very specific that they may delivered. Different clients certainly have different size pockets and a different capacity to pay even if they've got a willingness to pay. Their pockets may not be full enough to deliver on that and the willingness to pay. Even if I could get cheap Super Bowl tickets last night, I may not have gone because I'm not extraordinarily willing to pay for those types of things.

Now I've used a real estate agent example here because it's in general should be different to what the Wolters Kluwer Australia audience is. So for any real estate agents out here listening, you know all of this already, but let me just, it's also a very good proxy for every other industry there. From hairdressers to consultants to window cleaners to people making farm data software. The principle is the same. So it takes as much effort to sell a \$2,000,000 house as to sell a \$10,000,000 house.

The return to you is different, but the process is the same. You have to find someone who wants to sell a house, you have to convince them that you're the right person. You have to manage your three to six weeks of a campaign and then you have to stroke the potential buyers to convince them that actually, this is the house that they've dreamt about and would love to grow old in. And if you've got to put in the same number of hours and your commission is a percent of the outcome, your ability to pay is limited by the base rate that the percentage goes against, the percentage of the commission goes against.

Even if you've got a slightly better commission. The \$10,000,000 of commission is going to be 190,000, \$2,000,000 even if you get up to 2.5%, 50,000 and the commission is a different, I think I sold a house 1.3%. So just take it all with a grain of salt. But the principle is right, the bigger the base, \$10,000,000 versus \$2,000,000 the better the revenue for you. If you focus on selling low price things, you need to sell a lot more of them. In this example, you need to sell four times as many houses, which means to bring in the same dollars as the \$10,000,000 million house, but you have to do four times the amount of work.

I cannot stress this enough. The clients that you work with and the thing that you offer, this is fundamental to how you can charge what you're worth. If you believe that you are worth a bigger revenue coming in, you need to find the clients who value what you do more and have that capacity to pay. So let's just take a moment. This is in your handouts and I didn't quite follow exactly where Susannah said they were, but when you do find them and you print them out or you look at it on the screen, you're going to find this on page number one, maybe page number two, but it's going to have, you're going to put this into your own columns and it's going to be the bold income goal for the next 12 months.

Whether your income goal is \$40,000, \$100,000, a million dollars, the way that it comes in is exactly the same. It's the number of things that you sell by the average price that you sell and the number of clients you have, the average price of things that you sell and the number of times people come back to you and you can make it as fancy as you want, but that really is the calculation. If you can increase your average price of the things you sell, it's going to make a big difference, but let's figure it out. We'll work backwards now.

So let's say that we've got \$100,000 income target, and you can see here there's 350,000 as well. Let's say that you only want to work 52 weeks a year. Now, this is for the people who are more on the solopreneur side. If you're an employee with a fixed income, think about this in terms of revenue for the firm. You might want to work 48 weeks in the year. Now if you want to work 40 weeks in the year, change the divider yourself, divided by the number of weeks, sorry, hours work per week. It could be 35, could be 70, recommend not much more than 100, and that's going to equal your base hourly rate.

Now, you may realise that not every hour that you work is productive. Sometimes, you have non-billable hours. This might be anything from new client development. You might be writing a proposal on spec, you might be reaching out, somebody might've told you should be writing blog posts. So you're beaver away, writing up an article or you should be active on LinkedIn. Perhaps you're exploring how TikTok can work for your practise. So figure out how much productive billable hours you have out of that number of hours that you want to be working per week, and even though your base hourly rate might be that, you actually need to be working three times that if you're only productive, you've got a billable hour 33% of the time.

Now when you're just starting out, this might be as low as 10% because you just don't have a client roster and you need to get out there. It doesn't mean you can't not work. Your job now is generate new clients, but your time has to be worth that. When you do that, that very, very quickly rules out unless you've got very good technology and software data flows in the software, but it rules out things that you can only charge \$100 dollars an hour for if you know that this is the profile, the financial profile of your business.

If you know that you're already able to charge that, but you're not making the overall income that you need, the problem is either the amount of hours, the percentage of time that you can charge that or the number of hours that you're working. If you're working 20 hours a week even if you're on a high dollar per hour, at some stage, you'll cap out on the income you can make, but do put what your income goal is up here if it's a revenue goal for your business, put that up there and just play with those numbers and figure out how many hours at what revenue you need to charge.

If you've decided that actually, you're worth more than what it says that you're currently making, this is where we need to either find a new set of lucrative clients or figure out how to offer them something that they're going to value a whole lot more. Let's just jump into that. So let's figure out how to choose a niche. So you're looking at the intersection where the client values what you offer and is able to afford what you offer. So let's go through who these people are, what segment of the population, what specific industries.

I'm going to give you a case study of where I helped somebody reposition from this to that and how that changed the income that they were making and how it let them get closer to charging what they were worth. So you're going to use demographics, psychographics, and behaviours to define the group. If the group is too big and there's too many variables in it, there's too many different types of people, we're going to split it down so it feels more homogenous.

Once you've decided on that particular group, we're going to look at what struggles and challenges do they have and why haven't they already solved these problems? That's something very telling in if you've had this problem for a little while and you haven't solved it, is it because you don't know how? Is it because you're scared of solving it? Is it because you don't know what you do if you didn't have this problem anymore and that helps you with how you talk about the problem? And then you figure out what solution they need.

It becomes very, let's go through this. I think, yes. So people don't want to hear that you are a lawyer, an accountant as it doesn't tell them how you can help them. So if you've gone back and done this, you now know who that you work with. You can describe what they are struggling with, which is in this second section here. And then you can say what you do, what is your secret sauce? And then you finish with so that they, and this is where you've got what solution do they need? So let me give you some examples.

So, "I help small e-commerce businesses who are struggling with their burn rate, the amount of money they spend each month to get organised so they can better manage their customer acquisition cashflow and hiring plan. So in this, your niche is the e-commerce businesses. Their struggles are their burn rate and they haven't been able to fix it because they haven't been able to get themselves organised. And the solution they need is they need someone to help manage their cashflow so that they can manage that cashflow and customer acquisition hiring plans." They can get themselves ahead of the game.

"I work with construction companies who have a difficult employee. I've helped protect them legally and then to get their house in order." And, "I specialise in helping tradies who are never organised enough to stay on top of their business financials. I help them with setting up their backend technology so they can quote an invoice on-the-go seamlessly, manage payroll and cover off things like super. They can then focus on running and growing their business."

Again, this is a very traditional way of looking at it, but it really does help in order for you to figure out what services you're going to offer. So Trisha, the chartered accountant was focused on individuals and sole traders. She definitely felt that she was not charging what she was worth. She was in a suburban high street office and she was doing annual tax returns, the best statements, and she had so many customers clients, it was in the low hundreds, it was crazy.

And she said, "I don't think I'm going to be doing the very best work I can when I'm up against very big volume tax return people." And so she reorganised what she was doing and focused on mid-size manufacturers. Now, Australia doesn't have huge numbers of these, but they've got some and also startup tech companies. She got a little creative with this. So she did business advisory, so cashflow and cost accounting, getting grant and funding ready, probably also helping them write their ESIC, an early stage investment company, sorry, innovation company and she was a virtual CFO.

So for the mid-size manufacturers, she could charge a higher dollar amount per hour because it's not just an individual annual tax return to somebody's great aunt. This is a company that's making money that wants to make more money and she can advise them on how to do that and they can pay her in cash. They can transact money for that, and the startup tech companies, you've got to choose the right ones. You're not going to do this for everyone, but if you find a company that you can believe in, you could become their virtual CFO on a sweat equity basis and start thinking about what is my long-term wealth creation strategy.

Again, a higher risk, but she was willing to put herself out there and see what she could do. How to sense check if you have the right niche? So you've got to ask yourself a series, once you've decided, just go through and make sure it feels like it's the right place. Is there enough demand for what you offer? Are there enough people? Do they want this problem solved? If there's seven people in Australia who want to solve might not be enough. They grow old, they fade away, they move away, they pass away.

You need to be able to keep replenishing this pile. Is the problem that you solve important to this group? And you've got to ask yourself this very honestly, how important is this problem to that person? If it's anything less than an eight, they are not going to pay you top dollar for it. Even a seven and a half, you cannot command top dollar. You want something where they say, "Oh my God, this is a 12 out of 10 or more." Do they have a history of investing in solving this problem?

If it's a problem that they put up with and they've never spent as a group, nobody has ever spent money on this before, you can make a business out of it, but you've got to spend a couple of years educating the sector about it. You can see sometimes a very experienced partner in a firm, or sorry, a mid-level partner in a firm will say, "I want to move into this new niche." And so they've got to start writing some white papers. They've got to get to know the companies in that field.

It takes a bit of time to build up a credibility in that, especially if they don't have a history of investing in solving the problem. Do you love them or at least like them a lot? You want to have a group of clients just for your own sanity that you respect and that you think fond thoughts of in the evening. You've got to want them to do well. If you resent them and deep down dislike them, it is very hard to have a suitable duty of care towards them. And if hypothetically the business goes well, you've got to spend a lot of time with these people.

You might go out for lunch from time to time, maybe you'll go to their barbecues. So it's good if you like them. So once we've chosen the right niche, you want to have a system for setting and reviewing your fees. So there's no such thing as a set price. You want clients who focus on results rather than the process. They shouldn't care how you get the result, as long as you get it done. They'll pay more dollars for a better outcome.

They'll put more skin in the game, they'll assign more resources out of their own pocket and they just care. So you want to have your own system for knowing I review my fees every six months, every 12 months, somebody asked me how often is too soon to raise your fees? Again, if you don't have your fees printed on your website, you can do it as often as you want. I have seen people literally change their ... Put forward five proposals, five prospective clients come in, three out of the five, four out of the five, five out of the five have said yes to that dollar amount, dollar per hour amount or fixed fee amount.

And they've said, "Okay, I'm capable of sustaining that price in the market. I'm going to take it up again." Every five proposals, they would take their price up. At some stage, less than three out of five people would accept the proposal based on price, not because of COVID starting or waiting to see the results of an election, but genuinely, the price is too high. And they know, "Okay, I've hit my upper limit for the prices, I need to come back to where I was." But they just stair-step their way up to be able to charge what the market thinks they're worth.

So you should raise your fees in my view as often as you can, but when you are consistently too busy, business is a constant struggle between do I have enough clients to do I have enough capacity? And so when you are too busy, it means that you can raise your fees, pull off a little bit of the demand. Sorry, when you put your prices up, you pull off a little bit of demand, which then opens up a bit of supply. If everyone says yes without hesitation, when you create and offer, a new more valuable service.

If you change from doing tax returns for great-aunts to mid-size manufacturing cashflow advisory, you wouldn't stay on the old fee and stair-step your way up, you'd just start bang on the brand new fee. Now, when you're ready to move from a legacy price like, "Oh yeah." So when you do have your great-aunt and she's been with you for years and you know that your mother's going to get upset with you if you change the fees on her, it's okay to still change the prices sometimes.

You can't keep doing her tax return for \$50 every year, and it might not be someone that your mother really cares about, but you've got a legacy client, you want to stair step your way up every three or six months to what your market rates are. Sometimes, legacy clients will leave you and that is okay. Now Susannah, we need to just check in with the audience and find out how likely are they to raise their fees in the next three months.

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All right, Abbie. So how likely are you to raise rates in the next three months? Is it A, not at all likely. B, somewhat likely. C, very likely, or D. I just raised my rates. So I'm going to launch the poll and once again, please put a click in the radio button next to the answer that best describes your situation. And don't forget, if you do have a question, please put it into the question's pane and we will get to that question at the end of the presentation. So I'll just give you about 10 more seconds to get your votes in and then we will close the vote. Okay, I'm going to, oh.

Dr. Abbie Widin:

Drum roll.

CCH Learning:

So I'm going to close the vote and let's have a little look. So 35% said somewhat likely, 25% said not at all likely, although another 25% said very likely while 15% said, "I just raised my rates."

Dr. Abbie Widin:

Well done.

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Back to you Abbie.

Dr. Abbie Widin:

That's very interesting. That might've been a start of the year raising of the rates, which is great, but don't forget, unless your fees are listed on a website, and for most of you, I would recommend not having them listed on your website, I would really and truly have a bit of fun with it. It's very easy to get caught up on what is my client going to do? They might think I'm in business just to make money, heaven forbid, have some fun with it. Every few proposals, just see what happens.

For those who are not at all likely, that is a really interesting position. I wonder if that's because you feel as if you're already at the upper limit of what you can charge. If that's the case, I'm speculating, I don't know your circumstances, I don't know whether you're at the beginning of your career, the end of your career, whether you're a solopreneur, whether you're in a very, very large office, but hypothetically, you are in a position where you've got some flexibility. Consider if it's possible to offer something of greater value. And so even though you're not raising the rates on the things you already offer, challenge yourself to see if there's something that you could offer that is worth more.

Okay, existing services packaging. Now, just had a look at the time, Susannah and we'll just keep it cracking on. Not every service is suitable for packaging. Packaging is where you bundle up a number of different steps in a process and you present them to a client and you don't say, "This is going to take me 10 hours at this many dollars per hour and therefore it's going to be this." You just say, "It's going to take me this much money."

If the service is poorly defined, the scope is likely to change or a lot is dependent on your client doing something in a timely manner or even litigation. The other party is hard to control. It is unlikely to be suitable, but some services are uniquely and exquisitely designed for packaging, but not for every client because some people will take the mickey. For example, a pre-tax planning session, one to two hours will take the same amount of work for 80% of your clients and you can charge these out at a single rate.

They're going to be these range of inputs, reasonable range, and you're going to have a chat to them. They're going to ask you a couple of questions. "Do I really have to pay fringe benefits tax?" Yes you do. You can charge that out as a single rate. There will be people who have come to you and they say, "We've got two businesses and three family trusts and getting the kids involved in it." And by the way, we've got seven investment properties and you can charge those out at the pre-tax planning session plus rate.

You can have a pre-tax planning session and a plea pre-tax planning session plus which is charged either at 40% more or 300% more. I don't mind, but you know what your clients are and you'll know what the Delta needs to be. So let's have a look at a couple of simple packaging examples. Let's say that you have a complex initial client meeting, a family lawyer, and they're always complex, right? Nobody gets separated because things are going smoothly.

So you add a scoping option instead of quoting it for free. You say, "Let's get you in. It's going to take two hours. Fill in this pre-survey beforehand. Build in additional steps for robustness." So you've got a checklist in there and then you might add additional steps to help with the implementation. So if you're an accountant here and you want to do that, it's a pre-intake with a client. You want to figure out whether you can service them, what kind of client are they like, and how much you might be able to charge.

You would put all of these things together in some roadmap planning session and then you might see if you can sell them something else as well. So you want to make it difficult to compare apples with apples. So an example of a package might be a monthly retainer. Now, with a monthly retainer, you've got to make sure they're using it and you've got some interaction. If you're just sending them a report month after month, by month three, definitely by month four, they start wondering why they're paying you to send them a PDF report.

You've got to build in some decision-making process as a result of having this report. It might be new hire contracts, review of policy framing. We talked about the pre-tax planning session, BAS Submission, cashflow forecast. Difficult to package. Litigation, negotiations or mediations, R&D tax incentive, particularly the audit part, a data room for a business sale because you just don't know what's involved until you start looking under the hood and you just can't control the outcome or the process.

Even once you know what's under the hood, you can't control how the other party is going to respond. So let's have a look at Chris, the employment lawyer. Now, Chris had been working with individuals and occasionally with the employers, the individual would say, I've been unfairly dismissed. And so Chris would act for the individual and the employer would sometimes come and say, "We let someone go and they've just taken us for unfair dismissal." So \$300 an hour felt pretty cheap to Chris, but felt extraordinarily high for the individual and often looked at the final cost for the individual and then couldn't even make it the amount that it was meant to be because she felt sorry for the amount of money.

You're charged for 20 hours instead of 43 hours, that kind of stuff. I know that you are not soft like that, but sometimes people's boundaries get a little loosey-goosey, you feel sorry for your client. So afterwards said, "I'm only going to be working for the employers." The people who can put this as a business expense. You want mid-sized, fast-growing employers with only one HR person who's dealing with maybe they have to deal with payroll and sick leave and new people being on boarded and exit interviews was able to change the hourly fees for \$550 an hour, had packages for all HR-related employer jobs.

So this might involve, let's say you've had somebody do an unfair dismissal on the employer. You get through that and you say, "Look, let's have a look at your policies because there might be something in here that's leaving you quite open and you then charge them a standard set fee for an audit." And then you'd come back and you'd say, "Look out of your 27 policies, 26 of them are out of date. How about we do a new policy framework for you?" And that's a fixed fee. And then we come in and we say, "Now that we've delivered these, you need to tell people about them."

You can't just put in new policies and say, "I hope everybody abides by these, read them at your leisure." Because they won't. So we'd come in and train people on them, have workshops, Q&A's and da-da-da. Did some monthly retainers. The only thing that was charged by the hour was litigation or negotiation, tripled the income that was coming in practically overnight. To find these clients, went to the places where the clients are. Stopped hanging out at other employment law, places with other lawyers, started hanging out with people who could refer you like some of those mid-size or heavyweight accounting firms, know when somebody needs a new lawyer.

Somebody who's doing a contract lawyer, will know when you need an employment lawyer. Went to the places where the clients are or where they could be referred to. So what we're going to do is we've got two more small sections. We've talked about choosing a niche where they're more profitable setting and reviewing your fees, and now we're going to talk about how to communicate these fees. So we're just going to have a section of a little bit of theory, but then we're going to become very practical as we go through a discovery session, that initial enrolment conversation with a new client.

So the right time to talk about your fees is at the end of the conversation with your prospective client, and the reason that's got a funny little underline area there is because that's the blank space in the workbook handouts where Susannah has put them carefully in a special place on the Wolters Kluwer website side. So you talk about them at the end, so they make the decision based on value and not on price. So when you are having this conversation, the theory of it is to establish yourself as an expert.

You wouldn't go into a doctor and you want them to lead the conversation. You've got a headache. How bad is the headache? How often are you getting it? Is it worse when you're looking at the light? What have you tried to take for it? How long has it been going on? Is it better before food? After? You want them to interrogate you to know whether it's a couple of Panadol or an MRI. Get onto it.

So understand the cost of the problem. Is this a big problem that needs to be solved quickly? Understand the value created. This is the upside when you get it wrong. And then you want to give a summary of what the problem is and a recommendation on how to solve the problem. This is how I would approach this. And then do you agree? Do you agree with that summary and that recommendation? You say, "My fees to solve this are going to be X and then get going, get ready to issue an invoice or a more formal fee estimate or set them up with their own data room depending on what the thing is."

So here's the practicalities of it. Somewhere in the Wolters Kluwer's archives are a much longer webinar from initial conversation to profitable client. If you search my name, it'll be there. If you're on the Netflix for professionals, it'll be free to watch. But you start with the greetings, it's a small circle because you don't spend much time there. You spend most of your time on understanding the size and shape of the problem. You share a compelling narrative, a case study where you've done this similarly for someone in a remarkably similar situation, you recommend a way forward and then you make your offer and the next steps.

Just to be clear, when I say a remarkably similar situation, you're not lying and making something up. You're just looking for parallels. You're trying to pattern match so that you can share that this is something you've actually done before and you really are an expert in. So the greetings, the introductions, time, check and agenda. Either a telephone call where the client has called out of the blue or a scheduled appointment face-to-face.

If it's a scheduled appointment. Make sure that you've got, or even if it's out of the room, just make sure they're the only person on the call. Start with introductions because sometimes you turn up to a meeting and there's two juniors there and you're like, "Why are they here?" And then the very cynical say, "Am I paying for them? You want to know who they are and what they're doing there." Very important if you're on a telephone or a video call. Be clear on how much time we have together.

I've got down that we're going to talk for 45, 50 minutes. Is that the amount of time that you've still got free? Because two times out of 10, they have to leave early and you should know that just to plan your way through the agenda. Outline the proposed agenda and be sure to say, "Is this what you're expecting that we cover? And have you got anything else you want to add to the agenda?" So I'm just going to take a sip of water.

So for the introductions, you might say, "We've got 30 minutes scheduled for this morning's introductory meeting. This should be enough to get us started and see how we want to progress from there. Is this still the time you have available? Great. So today I'd like to understand more about what your situation is and what's triggered you to be in here today?" Now, once we've done that, "If it sounds like we can help, I'd like to share our philosophy, the way we work here, the expectations we have of ourselves and our clients and how does that sound? Is there anything else you'd like to cover?"

Now that's a lot to go through in 30 minutes. So you're going to have to keep it really tight, but you're going to sound and be an expert when you do that. You're going to say, "I respect my client's time." We then go into discovery. So take the lead in the conversation. Remember, they're buying your ability to solve their problems. So make sure just like that doctor with the headache example, make sure you're suitably diagnostic. Don't hesitate to say, "No, actually just pause for a moment. Tell me more about that a bit."

Ask them why they're looking for a new professional. You want to know if it's because their last one has just suddenly passed away or if they've burnt their last one or if they've had four advisors in the past three year and not one of them has worked out. You want to know sometimes you can get clues about whether it's them. So start with an open question. "Tell me what brings you in here today." Or, "How can I help you today?"

Everyone's seeing Fisk, haven't they? So let's go. What's up? Let me help you. So you want to discover the pains behind the why. So what challenges do you have around unfair dismissal? What challenges? Tell me more about what happened with the unfair dismissal. What are you doing? What's it costing you? What are your main difficulties when it comes to this? You also want to know about the benefits in getting that particular problem solved.

This person who's coming after you for unfair dismissal, let's say I can wave my magic wand and make this all go away. What are you going to be spending your time on instead? What's your appetite for addressing this problem? Is this something you want to do now or something you want to take a look at in six months time? So I'm just actually going to have to cough. Excuse me. Sorry about that.

So what's your appetite for addressing this problem? And what makes you say that? Don't be afraid to go at least one level deep and sometimes two or three levels deep. In the compelling narrative, oops. A compelling narrative, you want to take your client, you want to turn them into the protagonist and take them on the hero's journey. You want to show them that even though they're in a world of pain now, if they come with you, you are going to lead them maybe a couple of ups and downs on the way, but you are going to lead them to a place of transformation. And so you want to show that you have guided people on this journey before because your client is looking for a hero that they can travel with.

So you might want to say, and again, don't make stuff up. People can tell when you're making stuff up, but do look back through the past work that you've done and you'll be astonished at how much you have managed to help people previously. So you might say your situation is very similar to a client we helped recently. A small business with, I don't know, a dozen staff. In the hero's journey, you start off in the prison.

They weren't happy with their existing provider. "They really wanted to get a better handle on their cashflow forecasting so they could manage their budgets, inventory, even the cost of finance better, but they weren't sure if they would get a better outcome if they changed accountants." "So after we sat together, that we mapped out their current situation where we did a whole day of roadmapping. We anticipated that we could save them considerable dollars throughout the business, not just in inventory, but in consolidation of their range, prioritisation of key customers. We ended up partnering with them as virtual CFOs, a position they had never had before. Their margin has grown by 300 basis points and has freed up an additional million dollars in working capital, which they've put straight back into growing the business."

It's compelling, right? That's why we call it a compelling narrative. You could write out half a dozen of these for different situations and have them ready to go. You'll be astonished at how useful they are. Now, you also want to check that your client or your prospective client sees that the benefits that you're sharing are also the benefits that they perceive. Don't worry if it feels like a redundant question, but ask the question, "If we were to do this for you, what benefits do you think you'd see?"

Turn it the other way. "What benefits can you imagine if we were to implement a similar process here for you?" I reckon this is the magic question. This is the question that causes your client to justify to themselves why they hire you. They might be feeling emotionally like you're the right person, but after they walk out of the room and that emotion fades, they've got to justify it to themselves based on logic. And if you have already formed those neural pathways in that meeting, they are going to remember the logic associated with that.

The benefits I see are X, Y and Z, and that's pretty powerful. So then you summarise and you recommend a way forward. So you still haven't talked about your fees. Even if they've said, what do you charge? You say, "Look, happy to get to that. Let me just find out more about your situation and make sure I can help first." So this is where you summarise and you say, "This is what I think you're looking for." So with your situation, based on your desired outcome of this, I recommend we start with a paid strategic roadmap session.

So, "Given your biggest challenges around cashflow forecasting which is going to be especially important as the macroeconomic environment tightens, I think you're going to need some better processes that give you that visibility." "What I'd like to do is have my lead accountant. If you've got the luxury of having a lead accountant spend around two to three hours with you looking at, oh gosh, sorry about that. Looking at what you've currently got in place and how you use it. Now, we can do that online by sharing screens. We can sit side by side with you, but then we would be able to give you a very firm recommendation on how to best proceed. There is a small fee for that. However, we take it off the work if you decide to go ahead." "Now, if you are comfortable with that, we should book in a date."

Now the reason that you say we take it off the work, if you decide to go ahead, you just add it to whatever the work was that's coming second, right? So you're not losing out, but that makes this session free for them because whenever you sell something, even if you've got to have a cash outlay, they want to know that they're getting it for free. So it makes sense to them. You value your own time, so you're going to charge them something for sitting down and putting your pen to paper and making sure that this is the right approach, but if they go ahead, all of that investment becomes free. What a win.

Sense check the price range. So if you're selling something that you don't know what the scope is, definitely start with this road mapping session. You can call it whatever you want, explore in scope, blueprint, roadmap, game plan. We understand the range and depth of your available data. If you're a lawyer, we go into the background of what you want, where we go to and the strategies we could use to get there. So we see what you've done in the past.

So this is \$1,250 plus GST, or you could say we offer a number of advisory packages which range from 3,000 to 18,000 a month. What I normally suggest is to start with a road mapping session at a thousand dollars. This gives us a really good view of what would suit you best, and if you do decide to go ahead with the monthly package, we take that roadmapping investment off the first month, so it's effectively free. Powerful, right? And then we make the offer and the next steps.

Even though we've already talked about pricing, we haven't made an offer. It's like being in a cafe and they say, "The coffee is \$4.50." You've still then got to ask, "Can I have one?" So what you do instead is you say, "Coffee's \$4.50, would you like it?" So the offer is where you make a question and you say, "Would you like it?" It should be as clear as the waiter in the restaurant. "Would you like to have a coffee with your dessert?" "Do you know how many more people have a coffee if the waiter asks them, would you like a coffee?"

So, "Given what you've told me, it sounds like we should start with this strategic road mapping session. So I typically send across a small amount of pre-work to help us get oriented. We spend half a day together. Now at the end of that session, we'll have scoped out the various strategies available to complete the work, and we will have chosen the best path forward." "Would you like to go ahead with the road mapping session?" Or, "Would you like to get started?" And then you just shut up. You don't say anything. You don't know what they're thinking.

The temptation is for you to try to fill the void. Don't do that. Just be quiet because you don't know what they're thinking. They might be thinking, "Oh, that was more reasonable than expected. I wonder when I've got time in my calendar for that." Or, "I could do that in two weeks after the money comes in from here and then I can move the money around to there or whatever." They might be thinking, something that has nothing to do with you and they're figuring out how to make it happen. So just be quiet.

Be ready with the next steps. Buyers buy an emotion and follow through based on logic. So you want to secure a formal agreement quickly. Great. Let's say that they say yes, that case we get started. I'm really looking forward to taking care of this for you. People just want someone who can take their worries off their hands. So I'll send it through a checklist of what we need. We'll also need X, Y, and Z and schedule the next meeting now. Even if you have to reschedule, even if you know have to reschedule it, put a hold date in the calendar and if for whatever reason you can't do it, if you can send back confirmation by next Friday, I'll appreciate it.

At least get clear on the date for when you talk again next, even if it's not a formal meeting. But I hope you don't mind if I haven't heard back from you, I hope you don't mind if I reach out again. Practise the conversation. If this is the first time you've done a conversation like this, you're not going to remember it all at once. You get better, and particularly when you get to the money part, if it's a higher fee than what you've ever said in the past, you can feel a little nervous and you don't want to \$10,000.

You just want to get to the place where it feels just like saying "pass the salt." It's \$10,000 and you're going to need to pay that all upfront and just give it to me. You can't learn to ballroom dance by reading a book. Get out there, give it a go. Try putting your fees up just for fun, just a little bit. 10%, almost everyone has enough elasticity for 10%. Good luck. Thank you very much for coming to the webinar. Susannah's going to come back and take questions and tell you all about the exciting things Wolters Kluwer has to offer.

CCH Learning:

Thank you very much for that Abbie. Yes, we will spend the next few minutes taking questions. So just a reminder to please, type them into our questions pane. To give you some time to type those up, I will mention our upcoming webinars. So coming up, we've got our, for especially on Valentine's Day, we're going to be looking at how we can love our superannuation and our SMSFs, and also, Planning your 2024 FBT Return.

On the 15th, we're looking at what is hot and what is not in 2024 in financial and sustainability reporting. And of course, we've got our Tax Technical Update for January and February. On the 21st, we again have more on FBT with Getting the reporting right for Mobile Employees which is followed by looking at Seven Strategies to Build Emotional Resilience. If you are interested in these or any of our sessions, please head to our website and have a look. So let's have a little look at our questions. I have a comment here from Pradeep. Pradeep said, "Sole trader here. Clients don't understand the value offered, nor do they care. All they want is the compliance done on time and looking for the cheapest rates."

Dr. Abbie Widin:

I would say that's not your ideal client. I don't know. And again, I don't know your situation. I don't know whether it's your business and you've got the flexibility to do this or whether you're working for someone else who says, "These are the clients we're going to go after." But if you are looking for people who are looking for the cheapest rates, you've got to turn around and say, "I'm not going to be the cheapest boy in town."

You've got to say, "I deserve better than this. I am going to find clients who can take advantage of my unique and amazing skill set." Sometimes you might need to build up your own skill set. I'm going to create an environment in which people want to, where I can find those clients and I'm going to invest in learning how to sell, learning how to present myself, and learning how to offer things that people want to pay more for. If you are finding that you've got clients who want to pay the cheapest rates, you've got the wrong clients because there are people out there who will pay larger dollars sometimes for the same thing, but quite often for better things. Good luck.

CCH Learning:

Thank you for that, Abbie. So there you go, Pradeep. I also have a question from Michael. Michael was asking, "I get potential clients calling on the phone and I think we've built a good rapport and then they absolutely need to get a price check from one to two other accountants."

Dr. Abbie Widin:

It might be that sometimes they genuinely do need to get a price check because they've been tasked with Go out there and find out how much this thing is going to cost. If that is the case, it's very hard to win against that because you don't know who they're talking to. You don't know what the other person charges, and if they're making a decision based on dollars per hour or a very steep thing, it's hard to know where you fall in the range.

So one of the things you might ask at the beginning is, "Are you making this decision purely on price?" Because there are some excellent cut-price people out there. I'm unlikely to be the cheapest person that you go and see. The reason for that is I build in a number of check-in points to make sure that this strategy is still the strategy that suits and we are presenting the information in the right way. If it's hypothetically, you've got to reach out and get information from other places, you're going to sense check the quality and the richness of that data.

You're going to make sure that this is done and presented in a way that is useful for them, but you've got to educate people on why price should not be the only factor in their decision making. If they've been told to go out there and get some prices, you can't always do much about it, but you should at least know at the beginning because when you say to people, "Is price the only consideration?" You can be penny wise and pound cheap. Turn it a bit more into a game and make people realise that it's not just price when it comes to the quality of the outcome.

CCH Learning:

Thank you very much for that Abbie. I hope that helps you there, Michael, I have a question from Dennis. Dennis is asking, "What if the client says, 'I like your proposal, but can you give me a discount?'"

Dr. Abbie Widin:

If you give them a discount, you have to take something out, right? Because you've already decided that, sorry. Well, that you can also think about the way that you interact with people. I had a client once who always wanted, his phrase was, "Can you throw me a bone?" And the first time he said it, I was very confused, but I figured out what he meant. Throw me a bone, meant he wanted a \$5,000 discount on \$120,000 proposal. And so what I did is I made the proposals, after that \$125,000 and I threw him a bone of \$5,000.

So I built the bone into the price. The other thing is if it's a substantial discount, they want something 20, 30, 40% cheaper. You've got to take services out. You can't just say, "I am willing to compromise myself." I am worth this amount of money now and because you've asked, you have now diminished me and I'm now worth this amount of money. You have to say, "I'm still worth this amount of money." And so because of that, I'm going to deliver.

You want to pay less, that's okay. I'm going to deliver you less. You can't deliver the same amount for a discount, unless it's someone like this guy. You just know that that's the game he wants to play.

CCH Learning:

Thank you for that, Abbie. I hope that helps you there, Dennis, I have a question from Jane. Jane was saying, "I've learned not to tell people the price without finding what the scope of work is. I do a lot of work figuring out what it would cost and I send it to them as a proposal and then I never hear from them again."

Dr. Abbie Widin:

Proposals can take an inordinate amount of time. You are absolutely right. So I would secure agreement. If you can, try to figure something out like a range on the fly. You might look at it and say, for something like this, I'm happy to sit down and figure it out exactly, but for something like this, it's going to be in the order of three to 5,000 or seven to 13,000 or the higher the price, the wider the range can be, and it's going to be in a range like that.

Is that the amount you were looking at or were you hoping to spend a little bit less or are you hoping for something a little more robust? Because we can build it out and make it even more a bigger proposal. Ideally, you want to get off the call with an agreement that if the price is within that range, this is something they're going to look at. You also want to promise that you are going to follow up.

If I send you the proposal on Thursday, when do you expect that you will get back to me? How about we schedule a call for Monday where you can ask me questions? I've never had a proposal go out where people haven't had one or two questions. Why don't we just pencil that in now and then we can speak on the phone for five minutes. You can ask the questions and we can figure out what we need to do to get started.

So as much as you can try to get that agreement that if the price is in that range, this is something they're going to look at and then set the next meeting. If you just get off the phone and say, "Get back to me when you've had a good read of that." They rarely have a good read of it. They get busy with other things. They've got more than one problem, unfortunately.

CCH Learning:

Thank you for that Abbie. So I do hope that helps you Jane. Well, that does bring us to the end of our questions for today. So in terms of next steps, I would like to remind you all to please take a moment to provide your feedback when exiting. We have asked you a couple of questions about today's webinar, so it's really important for us to hear your opinions.

It's also a reminder that shortly after today's session, you will be emailed when you've been enrolled into the e-learning recording which can be watched multiple times and will give you access to the PowerPoint, the transcript, the CPD certificate, and the supplementary documentation that is available on today's session. I would very much like to thank Abby for the session today and to you the audience for joining us. We do hope to see you back online for another CCH Learning webinar very soon. Please enjoy the rest of your day. Thank you very much.