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# How to Charge your Worth (and get it!)

Dr Abbie Widin

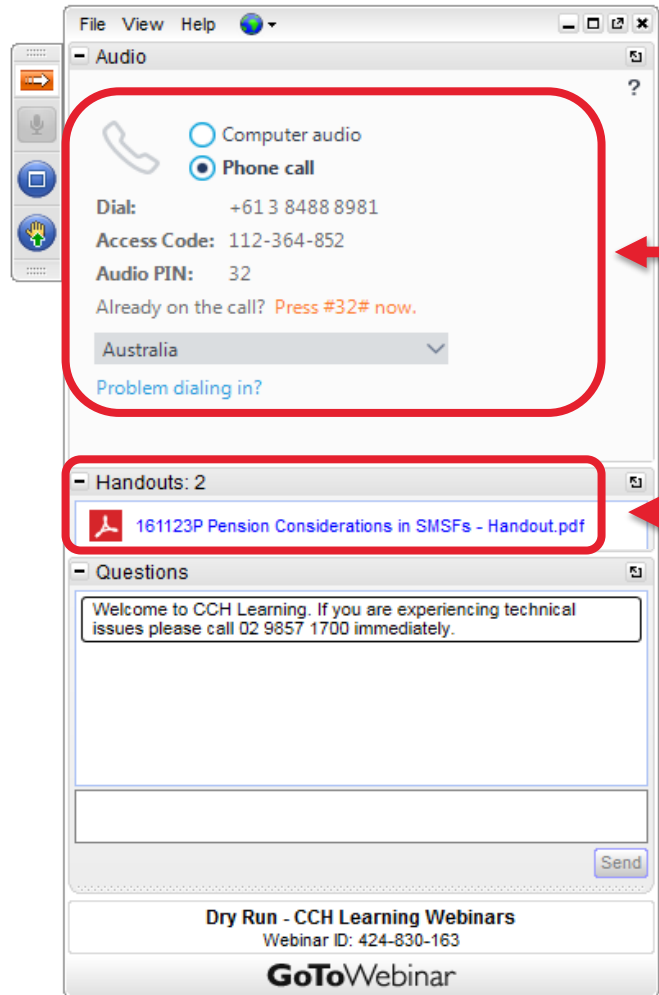
Tuesday 13 February 2024

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Susannah Gynther  
Moderator

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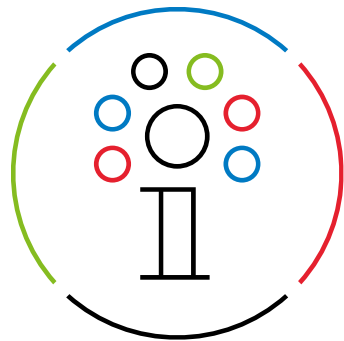
# Your Presenter



Dr Abbie Widin  
Consultant  
GTM Co

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# Today's session will cover



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## How To Charge Your Worth: Stop Under-Charging and Over-Delivering

Do you find that:

- Do you struggle to position your value in the marketplace?
- Do you feel as if you give away too much?
- Has it been some time since you looked at your prices?

Today, we will cover how to:

- Select a profitable niche
- Creating your system for setting and reviewing your fees
- Know how and when to discuss your fees & communicate your value

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# What is under-charging and over-delivering?

- Undercharging
  - Know you should be better rewarded
  - Beginner's rates
  - Tried to be competitive vs a benchmark
- Over-delivering
  - Put more services in than really needed
  - Accept change of scope without changing fees
  - Work rush job without putting 'rush job' fees on it
  - We change scope, do extra work, don't tell client

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# Why is it a problem to under-charge and over-deliver?

Work too long hours for too little money

Burn out

Discover that we weren't really worth it



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# Why we should charge our worth – it's about the money, but it's also not about the money

When you've got a bigger income, you can do all sorts of great things. You can:

- Upgrade your own skill set and capabilities (virtuous circle)

- Hire better people to help you scale

- Buy pretty sparkly baubly things

- Invest in your children's or grandchildren's education

- Build an amazing art collection

- Have choices.....

When you're rewarded for the contribution that you make in the world, then you know that what you've put out there is valued. And you feel valuable as a result of that.

And when you feel valuable, you hold yourself with greater self-esteem and self-worth.

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## POLL: Do you under-charge and over-deliver?

- a) Very often – and I need to fix it
- b) Generally – whenever my client asks
- c) Sometimes – but I do, it's my choice
- d) Never! I'm just here to sharpen the saw

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# 1. Select a profitable niche

- The intersection of your client base, what they need, and how you deliver it
- Different clients have:
  - Different criteria for choosing providers
  - Different expectations of outcome
  - Different capacity to pay
  - Different willingness to pay

# Real Estate Agent Example



- It takes almost as much effort to sell a \$2million house as to sell a \$10million house
  - Find the vendors interested in selling
  - Convince the vendor that you're the right person
  - Manage the advertising/open houses/auction, etc.
  - Stroke the potential buyers (1-5 per house)
- Better commission on the more expensive house
  - (\$10million - commission @ 1.9% = \$190,000)
  - (\$2million - commission @ 2.5% = \$50,000)
- If you focus on selling low priced things, you need to sell more of them to make the same money.
- For this example, you need to sell almost 4 times as many houses to bring in the same income, but you have to do almost 4 times the work!

# What is the value of your time?

Your Income Goal for Next 12 Months:	_____	
Bold Income Goal for Next 12 Months:	Example \$100,000	Example \$350,000
Divided by 48 weeks in the year:	\$2,083	\$7,292
Divided by hours worked per week:	35hrs	40hrs
Equals Your Base Hourly Rate:	\$60/hr	\$182/hr
Divided by productive % of time: (This is the estimate of % of billable hours that you have)	33%	50%
Equals What Your Time Must Be Worth:	\$180/hr	\$365/hr

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# How to Choose A Niche

- You are looking for the intersection where the client:
  - Values what you offer
  - Is able to afford what you offer



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# Defining a Niche

Ensures you are clear about who you serve & how you help them solve their problems.

Who are they? What segment of the population? What specific industries? Use demographics, psychographics or behaviours to define the group. Split the group into smaller groups if they have different challenges.

What struggles, challenges do they have? How do they feel? Why haven't they already solved these problems?

What solution do they need?

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# How to answer “So what do you do?”

People do not want to hear that “you are a \_\_\_\_\_” as this does NOT tell them how you can help them.

1. Name WHO you work with.
2. Describe WHAT they are struggling with.
3. Say the “what” of what you do, as it relates to their specific problem.
4. Finish with “so that they...” and the upside that they will experience once they have worked with you.

- “I help small e-commerce businesses who are struggling with their burn rate get organised so that they can better manage their customer acquisition, cashflow, and hiring plan.”
- “I work with construction companies who have a difficult employee. I help protect them legally, and then to get their house in order.”
- “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 back end technology, so they can quote and invoice on-the-go seamlessly, manage payroll, and cover off things like super. They can then focus on running and growing their business.”

# Case Study #1

## Trisha the CPA

Before....

Individuals and sole traders

- Annual tax returns
- Quarterly activity statements
- Many of them



After....

- i) Mid-sized manufacturers
- ii) Start up tech companies

- Business Advisory - Cash-flow and cost-accounting
- Getting grant- and funding-ready
- Virtual CFO

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# How To Sense Check If You Have The Right Niche

- Is there demand for what you offer? (ie, are there enough people, do they want this problem solved)
- Are there enough of them?
- Is the problem that you solve important to this group? Out of 1-10, you're looking for an 8 or above.
- Do they have a history of investing in solving this problem?
- Do you love them, or at least like them a lot...?

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## 2. Have a system for setting and review your fees

- There is no such thing as a set price
- Clients who focus on results (rather than the process)
  - Will pay more dollars for a better outcome
  - Will put more skin in the game
  - Assign more resources

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# When Should You Raise Your Fees

- When you are consistently too busy
- When everyone says yes without hesitation
- When you create (and offer) a new more valuable service
- When you are ready to move a legacy client from old prices to your new one



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# POLL – How likely are you to raise rates in the next 3 months?

- a) Not at all likely
- b) Somewhat likely
- c) Very likely
- d) I just raised my rates

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# Strategy #2 – Your Existing Services – Packaging

- Not every service is suitable for packaging
  - For example, if the service is poorly defined, the scope is likely to change or a lot is dependent on the client doing something in a timely manner
- Some services are uniquely designed for packaging (but not for every client)
  - For example, a pre-tax planning session (1-2 hours) will take around the same amount of work for the majority of your clients. You can charge these out at a single rate
  - Yes, there will be outliers, but you charge these the Pre-Tax Planning Session Plus rate

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# Simple Packaging Examples

- If you have a complex initial client meeting
  - Add a scoping option instead of quoting for free
- Add additional steps to build robustness
  - Eg, audit robustness – a checklist to ensure you are ready for an audit
- Add additional steps to help with implementation
  - Move to Single Touch Payroll, integrating a new system or app into your workflow
- Add complementary services
  - HR or payroll or bookkeeping

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# Ideally, make it difficult to compare apples...

- If it's possible to fix the scope of work and the outcome, try to set up as a package

## Examples of packages

- Monthly retainers
- New hire contracts
- Review policy framework
- Pre-tax planning session
- BAS submission
- Cashflow forecast

## Examples: difficult to package

- Litigation
- Negotiations / mediations
- R&D tax incentive
- Data room for a business sale

# Case Study #2 – Chris the employment lawyer

Before....

Individuals and occasional employers

- Hourly fees (\$300/hr) for unfair dismissal and similar
- Often under-charged as felt sorry for individuals



After....

Mid-sized fast growing employers with only 1 HR person

- Hourly fees (\$550/hr) for unfair dismissal and similar
- Packages for all HR-related employer jobs
- Monthly retainers
- Only litigation / negotiation charged by the hour

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### 3. Know when and how to confidently communicate your value and fees

The right time to talk about my fees is at the end of my conversation with my prospective client

This is so they make the decision based on value and not on price.

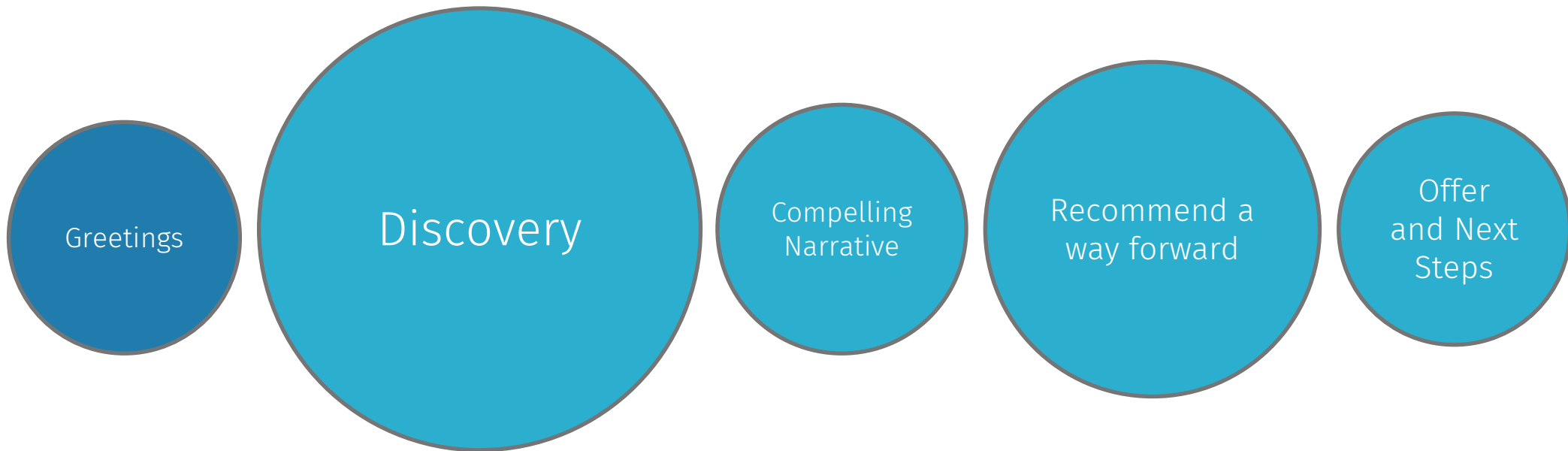


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# The money/value conversation

1. Establish yourself as an expert
2. Understand the cost of the problem eg, the size and urgency
3. Understand the upside eg, value created
4. Give a summary of what their problem is and a recommendation on how to solve their problem
5. Ask if they agree with that summary and recommendation
6. State your fees
7. Get going! And be ready to issue an invoice 😊

# Flow of an 'Ideal' Initial Meeting



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# Greetings - Introductions, timecheck and agenda

- This might be a telephone call where a new client has called out of the blue, or a scheduled appointment face to face
- Start with introductions for everyone around the room – your prospective client will feel more comfortable if everybody’s name and position is said out loud
- This is especially important if you are on a telephone / video call
  
- At the start of the meeting, be clear on how much time you have together
- Outline your proposed agenda
  
- Be sure to ask if this is what your prospective client is expecting, and if they have anything they want to add to the agenda

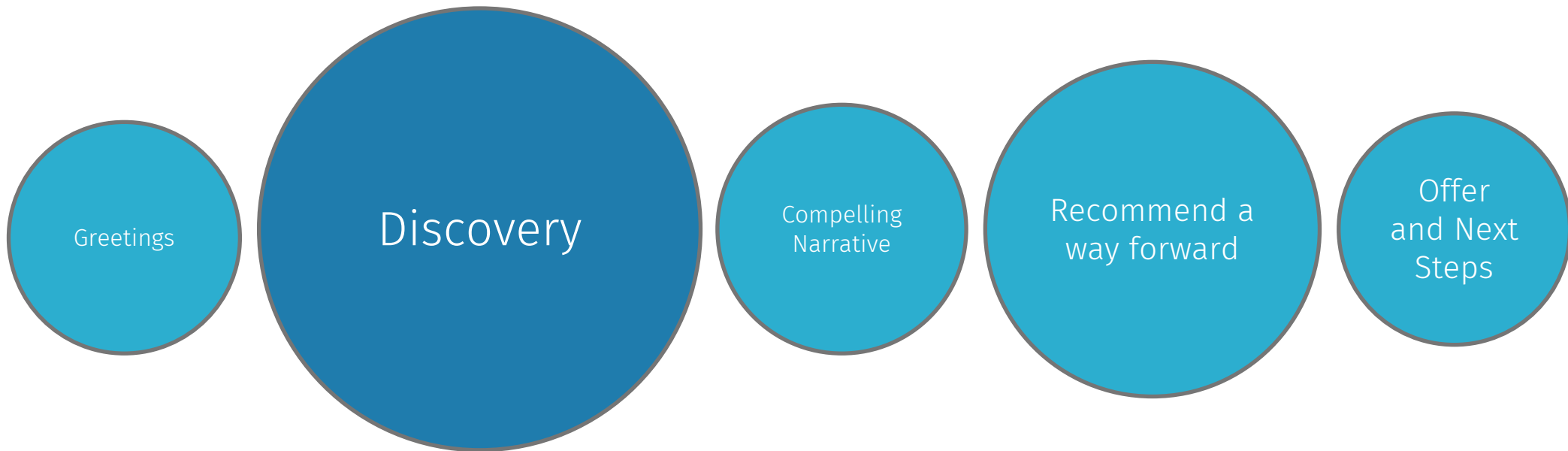
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# Introductions

## – You might say...

- *“We have 30 mins 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? [PAUSE]*
- *Today, I’d like to understand more about what your situation is, and what has triggered you to be in here today*
- *If it sounds like we can help, I’d like to share our philosophy, the way we work here and the expectations we have of ourselves and our clients.*
- *How does that sound? Is there anything else you’d like cover?”*

# Flow of an 'Ideal' Initial Meeting – offline OR online



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# Focus on your prospective client

- Take the lead in the conversation, and remember they buy your ability to solve their problems, so make sure you are suitably diagnostic.
- Ask them why they are looking for new accountant or lawyer. You want to know if it's because they have burnt their previous one, or they have had four advisers in the past three years and not one have them has worked out.
- Start with an open question:
  - *“Tell me, what brings you in here today?”*
  - *Or “Tell me, how can I help you today?”*



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# Discovery Section

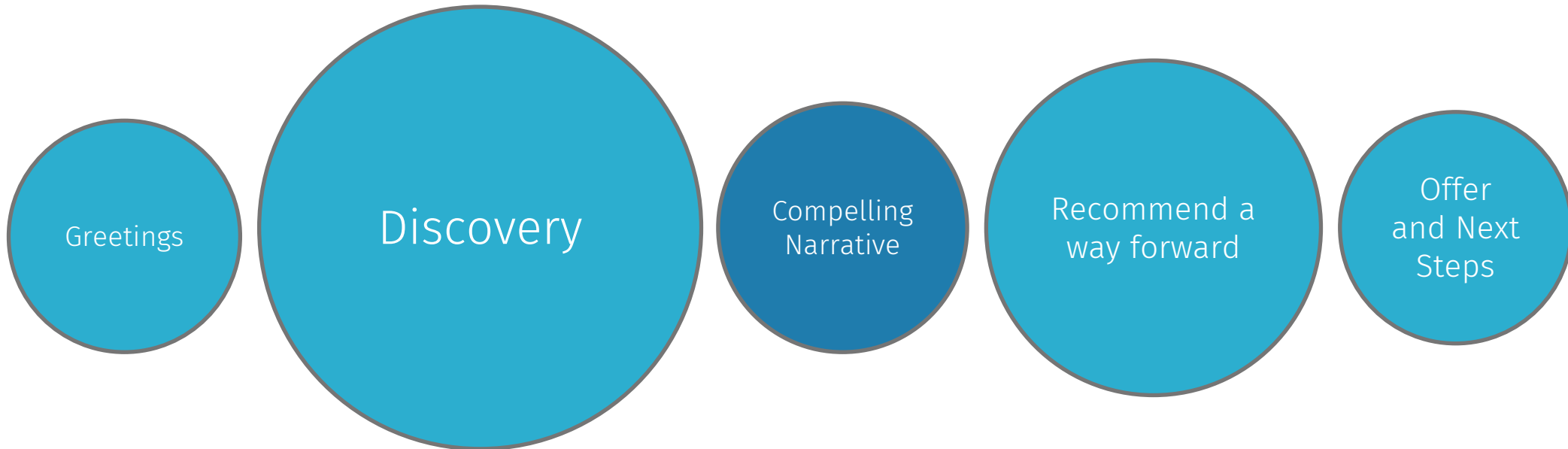
## Discover the Pains behind the Why

- *What challenges do you have around [xxx]? What are they costing you?*
- *What are your main difficulties when it comes to [xxx]?*

## Understand The Upsides of Solving the Problem

- *What benefits do you see in getting this solved?*
- *When this is fixed, what upside will you see?*
- *What's your appetite for addressing this problem? What makes you say that?*

# Flow of an 'Ideal' Initial Meeting – offline OR online



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# Compelling narrative

- Use a similar client case study to demonstrate your capability
- Stories are immensely powerful, as we look for heroes to identify with.
- For the story to act in this manner, we need to take the protagonist on the hero's journey.

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# Compelling narrative (con't)

For example:

- *Your situation is very similar to a client we helped recently, a small business w/ a dozen staff.*
- *[PRISON] They weren't happy with their existing provider.*
- *[GOAL AND HESITATION] They really wanted to get a better handle on their cashflow forecasting, so they could manage their budgets, inventory and cost of finance better. But they weren't sure if they would get a better outcome if they changed.*
- *[AFTER] After we sat together, and mapped out their current situation, we anticipated that we could help them save considerable dollars throughout the business, not just in inventory, but in consolidation of their range, and prioritisation of key customers. We ended up partnering with them as virtual CFOs – a position they never had before. Their margin has grown by 300 basis points and freed up an additional \$1MM in working capital.*

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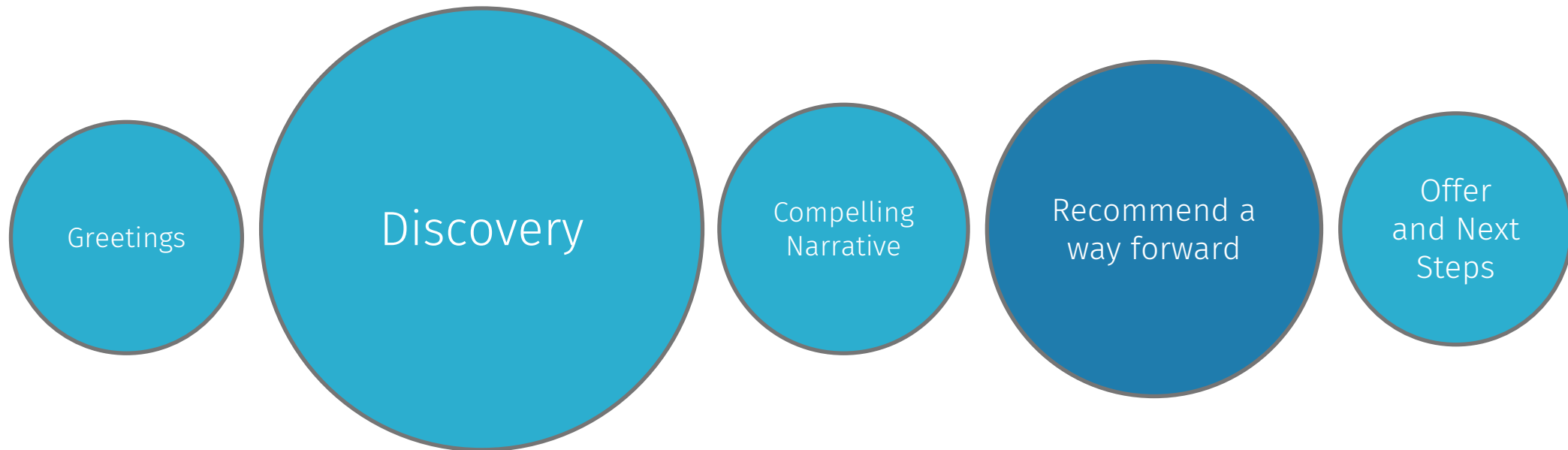
# Check perceived benefits

- You want to understand if your prospective client sees the value and the benefits that you can see.
- Don't worry if it feels redundant.

Example:

- *What benefits can you imagine if we were to implement a similar process here for you?*

# Flow of an 'Ideal' Initial Meeting – offline OR online



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# Recommend a way forward

- DON'T talk about your fees too early!!
- For your situation, where you're looking for [abc] outcome, I'd recommend that we start with [your Paid Strategic Roadmap process].

Example:

- *Given your biggest challenge is around cashflow forecasting, which is going to be esp. important as the macro-environment tightens, I suspect you're going to need better processes to give you that visibility.*
- *What I'd like to do is have my lead accountant spend around two-to-three hours with you looking at the at what you've currently got in place, and how you use it. We can do that online by sharing screens. We'll then be able to give you a 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.*
- *If you're comfortable with that, we should book in a date.*

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# Sense check price range

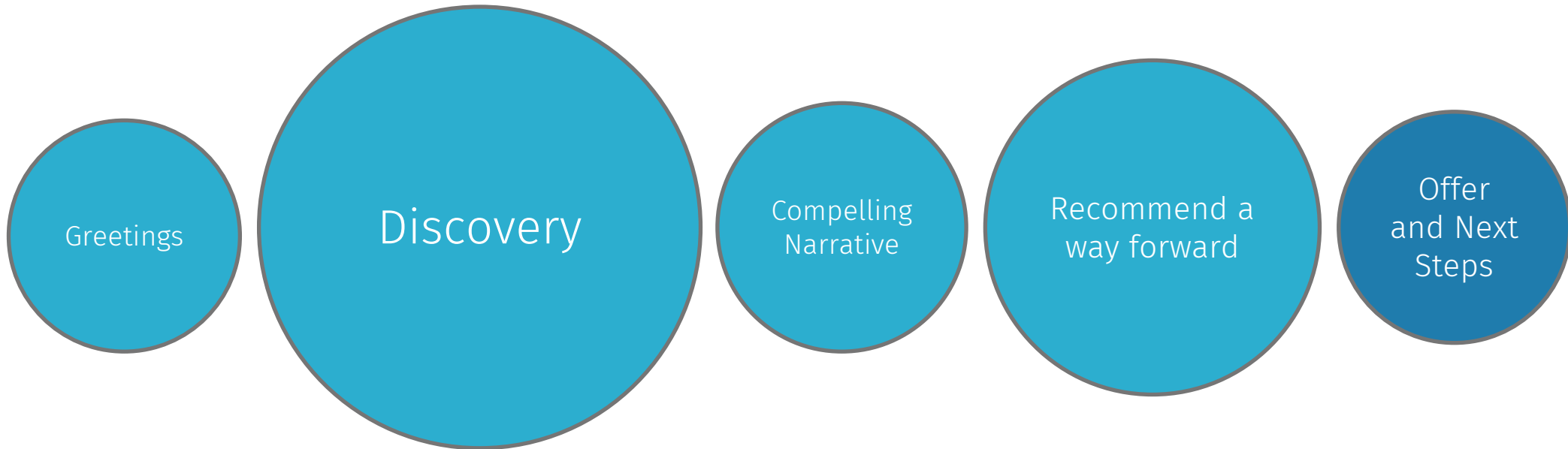
- If you are selling a body of work with ambiguous scope, you can suggest a roadmapping session:
  - *We can start with a Explore and Scope Session, where we understand the range and depth of your available data, and see what you've done in the past. This is \$1,250+gst.*

OR

- *We offer a number of advisory packages, which range from \$3k-\$18k per month. What I normally suggest is to start with a roadmapping session at \$1,000+gst. This gives us a really good view of what would suit you best. If you decide to go ahead with a monthly package, we can take the roadmapping investment off the first month.*



# Flow of an 'Ideal' Initial Meeting – offline OR online



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# Don't worry about closing...

- Just make sure you make a definite offer
- It should be as clear as the waiter in the restaurant:
  - *“Would you like a coffee to have with your dessert?”*

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# Make an Offer

- *Given what you've told me, it sounds like we should start with the half day Strategic Roadmapping Session. I typically send across a small amount of pre-work to help get us oriented, and we spend half a day together. At the end of that session, we'll have scoped out the various strategies available to complete the work, and chosen the best path forward.*
- *Would you like to go ahead?*
- *OR When you like to get started?*
  
- *And shut up!*

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# Be ready with next steps – yes!

- There's an old maxim that buyers buy on emotion, and follow through based on logic. You want to secure formal agreement quickly.
- If yes, know what comes next, eg:
  - *“Great, in that case, we should get started. I’m really looking forward to taking care of this for you. I’ll send through a checklist of what we’ll need, for example, to be invited into your [accounting software / ERP / shoebox].”*
  - *We’ll also need your past Notice of Assessment and group tax returns.*

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# Be ready with next steps – yes!

- Schedule the next meeting now, even if you have to reschedule later. If you really don't want to schedule a meeting, at least set the expectation:
- *“If you can send back confirmation by next Friday, I'd appreciate it. If I haven't heard back from you, I hope you don't mind if I reach out again.”*

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# Practice the Conversation

- When you get to the money part, it needs to be like saying, “Pass the salt”

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You can't learn  
to ballroom  
dance by  
reading a book

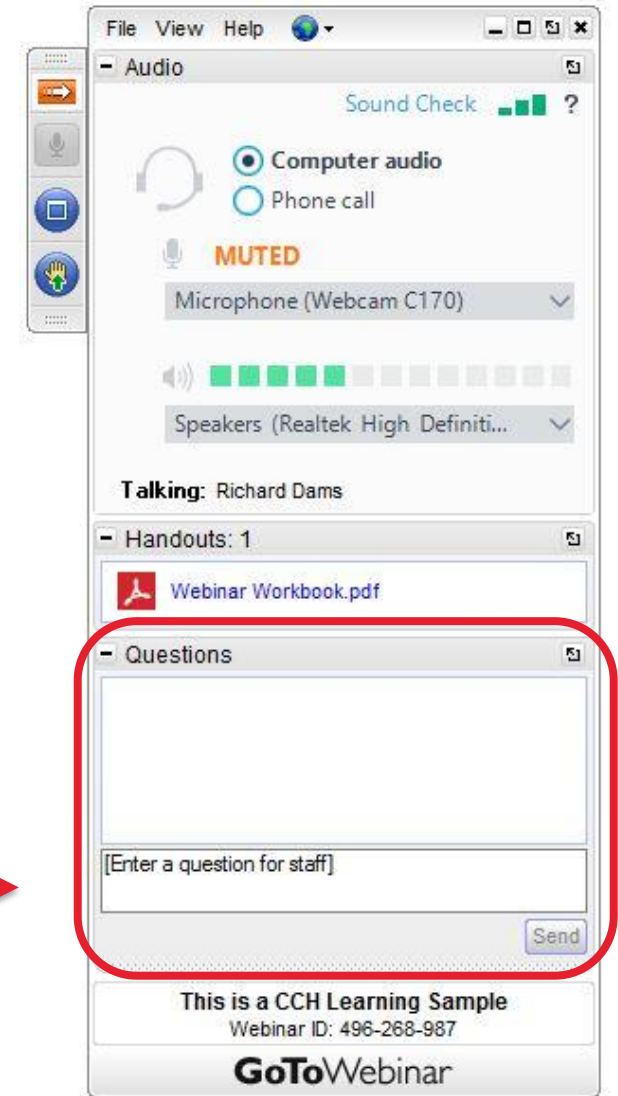
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# Questions?



Susannah Gynther  
Moderator

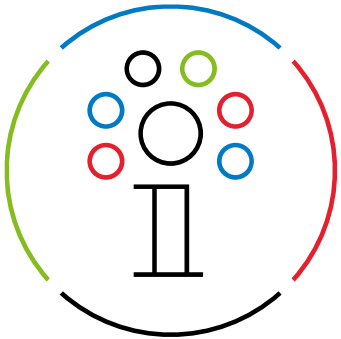
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- 22 February – Seven Strategies to Build Emotional Resilience

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# Questions



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