

# Lessons Learned about Pricing



By Jim Horan

Consultants worry about price...clients worry about results.

Consultants worry about getting a signed contract...clients want to talk about their business. Take time to really understand the client's problem. I guarantee the longer you listen...the smarter you will sound.

One engagement almost always leads to another one or an expanded one. Don't try to sell all of your wares

Price challenges have been relatively infrequent due to introductions from existing clients.

The easiest way to get referrals is to give them. Listen carefully to all problems you hear...solve the ones that are right for you, refer all others to consultants you know and trust. Clients will love you for solving their problem...other consultants will love you for the business. Neither will forget you!

Successful consultants rarely earn all of their income from professional fees...they sell books, other products, earn referral fees.

Diversify your client base...remember all consulting engagements come to an end. If all of your eggs are in one basket, you will find yourself self-employed with no clients.

Continuously market your consulting practice. As painful as marketing can be, it is significantly less painful than being self-employed with no clients.

If you think your pricing is too low, they are! Raise your rates!

If your client thinks your rates are too high, rethink your entire sales cycle. Something is missing.

Don't sell your services to \$60,000 a year managers. They buy low value services, it is their job to negotiate your fees to a lower amount, and they rarely have the ability to make a decision.

Sell your services to CEO's making \$600,000 a year. They need solutions to big problems. They understand value pricing.

They intuitively will do the ROI calculation and decide if it's a good return..

CEOs always fund the projects that are important to them...regardless of whether they are budgeted or not.

The \$60,000 manager rarely gets approval on unbudgeted projects.

Most successful consultants do lots of public speaking. Speak at least twice a month...regardless of whether or not you are paid. I've learned that I have always been paid handsomely for my speaking.

Capture your intellectual property in writing! You will look smarter in writing and it's an investment with a high ROI.

Price is almost always an issue if the client does not perceive the value!

Every consultant I have ever met who raised their fees....got more business.

The formula \$100/hour X 2,000 hours/year does not produce \$200,000 in revenue. It may produce \$25,000.

Most consultants I know rarely sell more than 8 days a month...unless they are working for their former employer.