

What Should My Prices Be?



Presented By



Learning Objectives

- ❖ Why setting your prices is both an art and a science.
- ❖ How to determine the MINIMUM price you should set.
- ❖ What to do if your prices are too low.
- ❖ How “price elasticity” plays a role with increasing your prices.
- ❖ ...and more!!!

About Me

Serial
Entrepreneur

Manuel “Manny” Cosme

Founder & CEO



Accounting Firm **FOCUSED** On **Bookkeeping & Strategy**
For Small **Businesses & Non-Profits**



Why Is Pricing Important

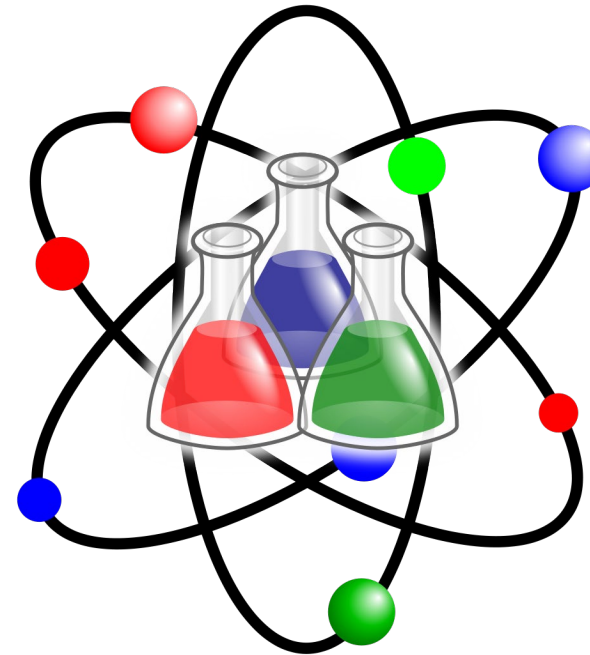


Art & Science



MARKETING

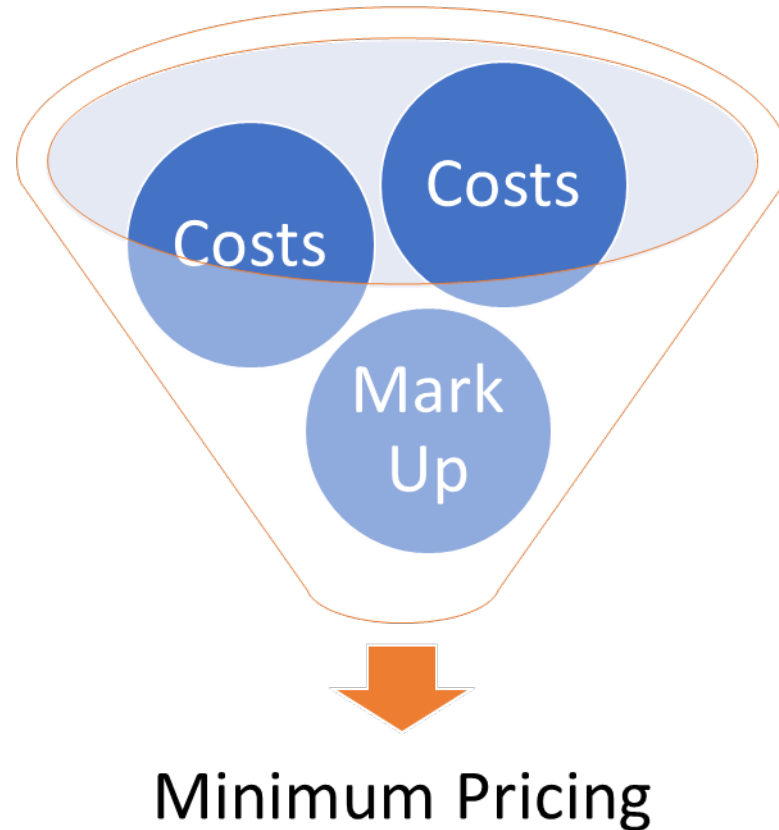
FINANCIAL



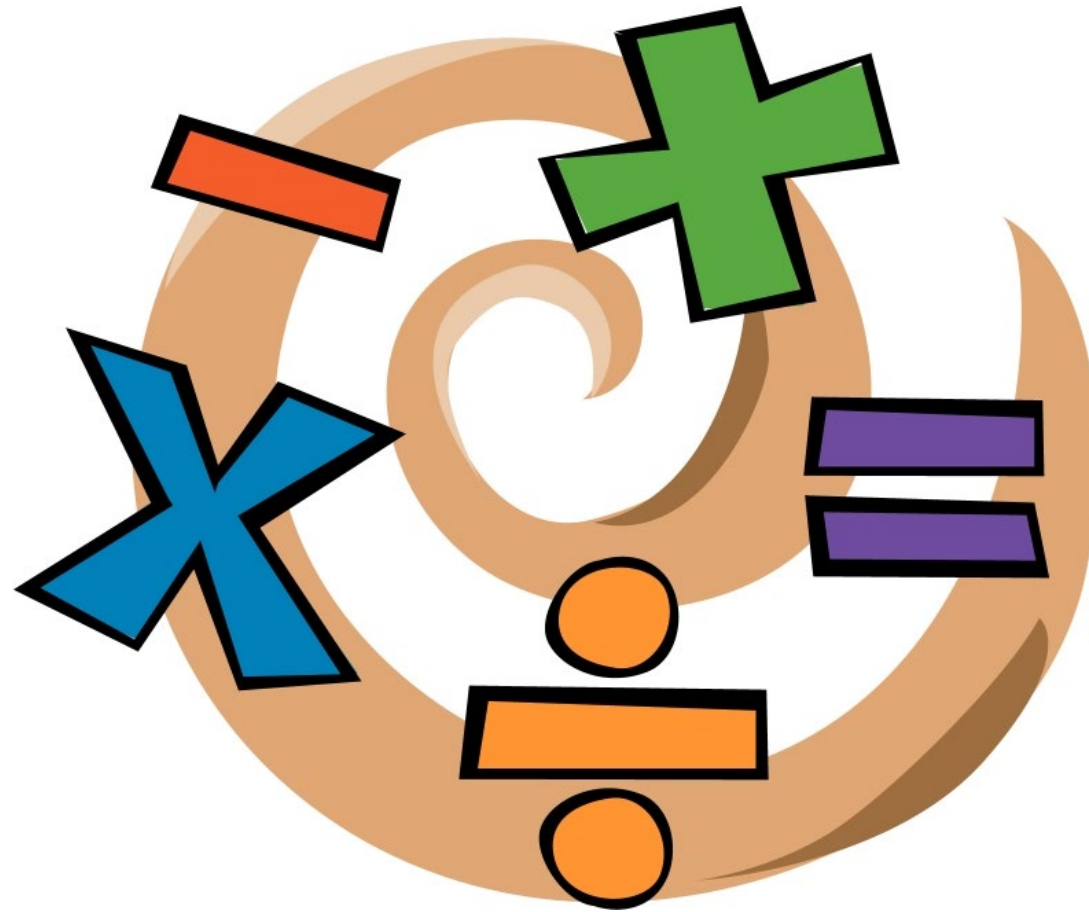
Minimum & Maximum Boundaries



The Financial Approach



Math Ahead!!!

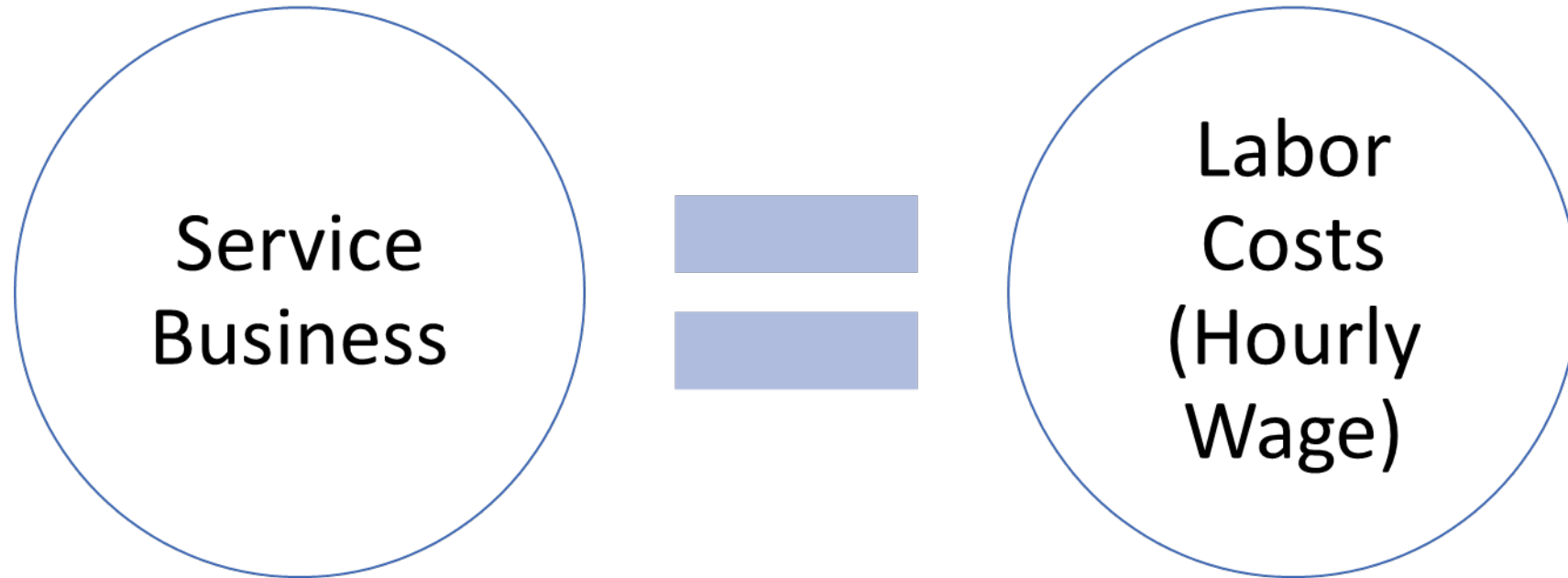


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Pricing for Services



Step One - Determine Cost



Example – Service Business

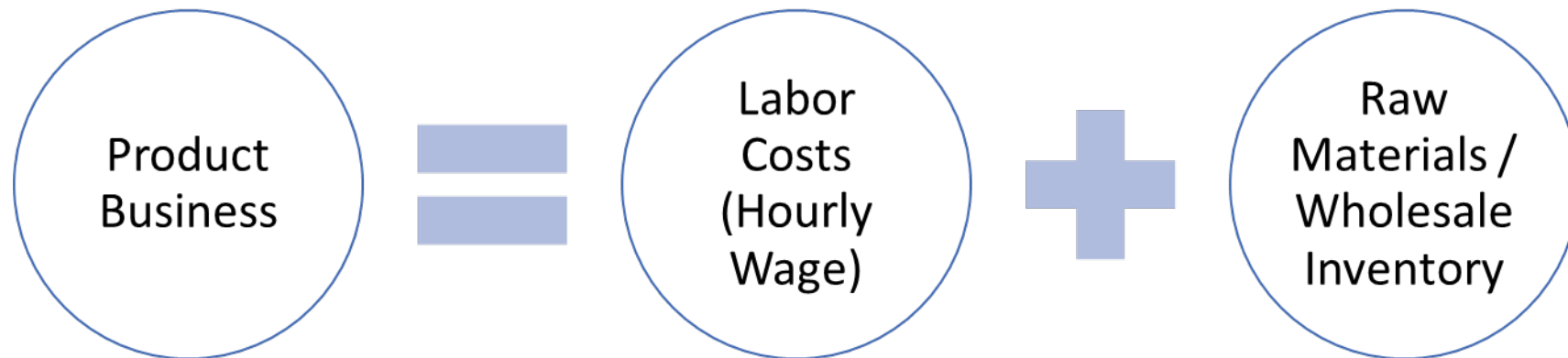
Stan	Sue
\$60,000/yr salary	\$95,000/yr salary
50 hrs/wk	50 hrs/wk
\$400/mo insurance	\$400/mo insurance
↓	↓
\$27.23 per hour	\$42.04 per hour

HINT:

Use Free Payroll Calculator:

[PayCheckCity.com/Calculator](https://www.paycheckcity.com/calculator)

Example – Product Business (1)



Example – Product Business (2)

Cake	Milk
1 hr Baker (\$10)	(no labor)
\$5 ingredients	\$2 wholesale price
↓	↓
\$15 cost per cake	\$2 cost per bottle

Step Two – Rate To Charge (1)

Raw

- 2x Cost

Wholesale

- 2x Cost

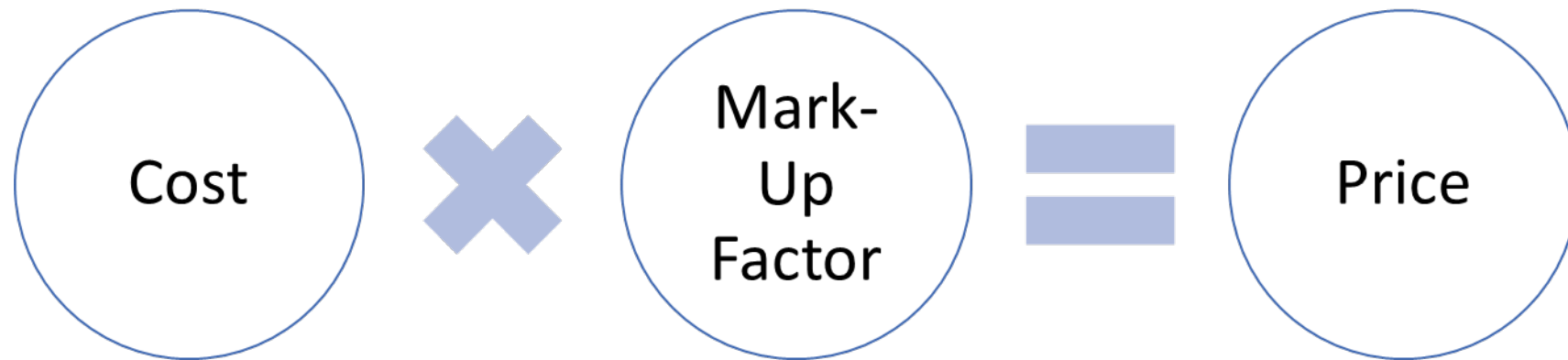
Contractor

- 3x Cost

W-2 Employees

- 4x Wage

Step Two – Rate To Charge (2)



Example (1)

Stan	Sue
\$27.23/hour cost	\$42.04/hour cost
4x mark-up (employee)	4x mark-up (employee)
↓	↓
\$108.92/hour charge rate	\$168.15/hour charge rate

Example (2)

Cake	Milk
\$10/hr baker	(no labor)
4x mark-up (employee)	-
\$5 ingredient cost	\$2 wholesale cost
2x mark-up	2x mark-up
↓	↓
\$50 per cake	\$4 per bottle

Minimum & Maximum Boundaries (1)



The Marketing Approach

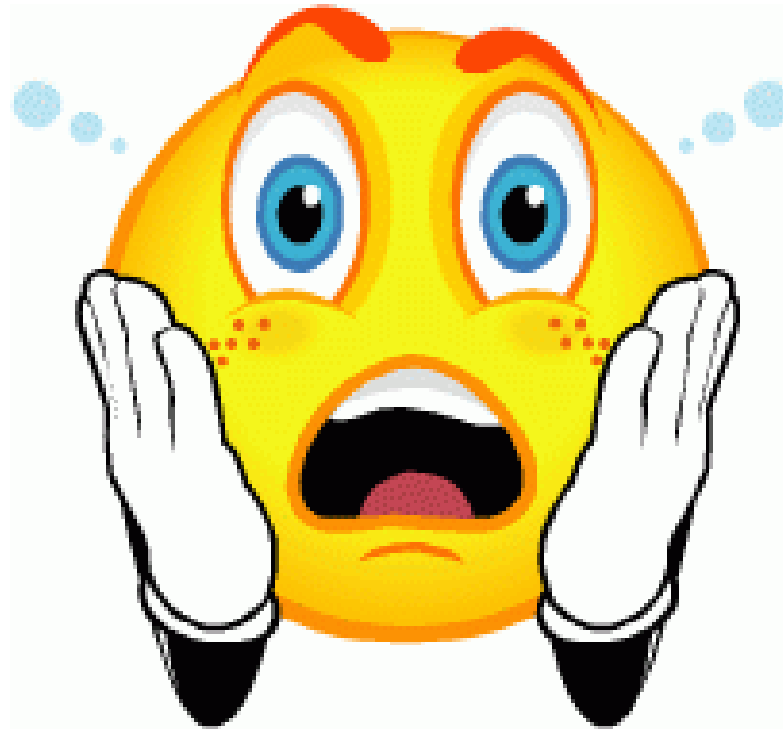


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Minimum & Maximum Boundaries (2)



What If Prices Too Low



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Options

Option One:
Keep Low Price

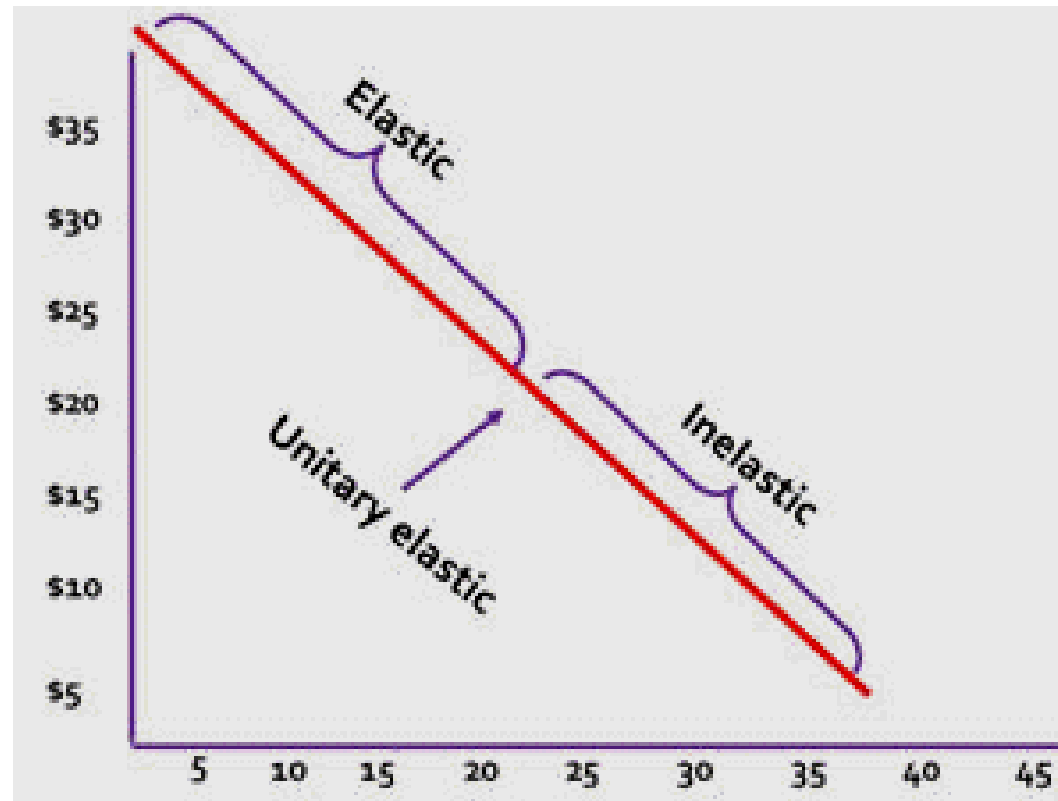
Option Two:
Increase Price

Option Three:
Product Mix

Increasing Prices

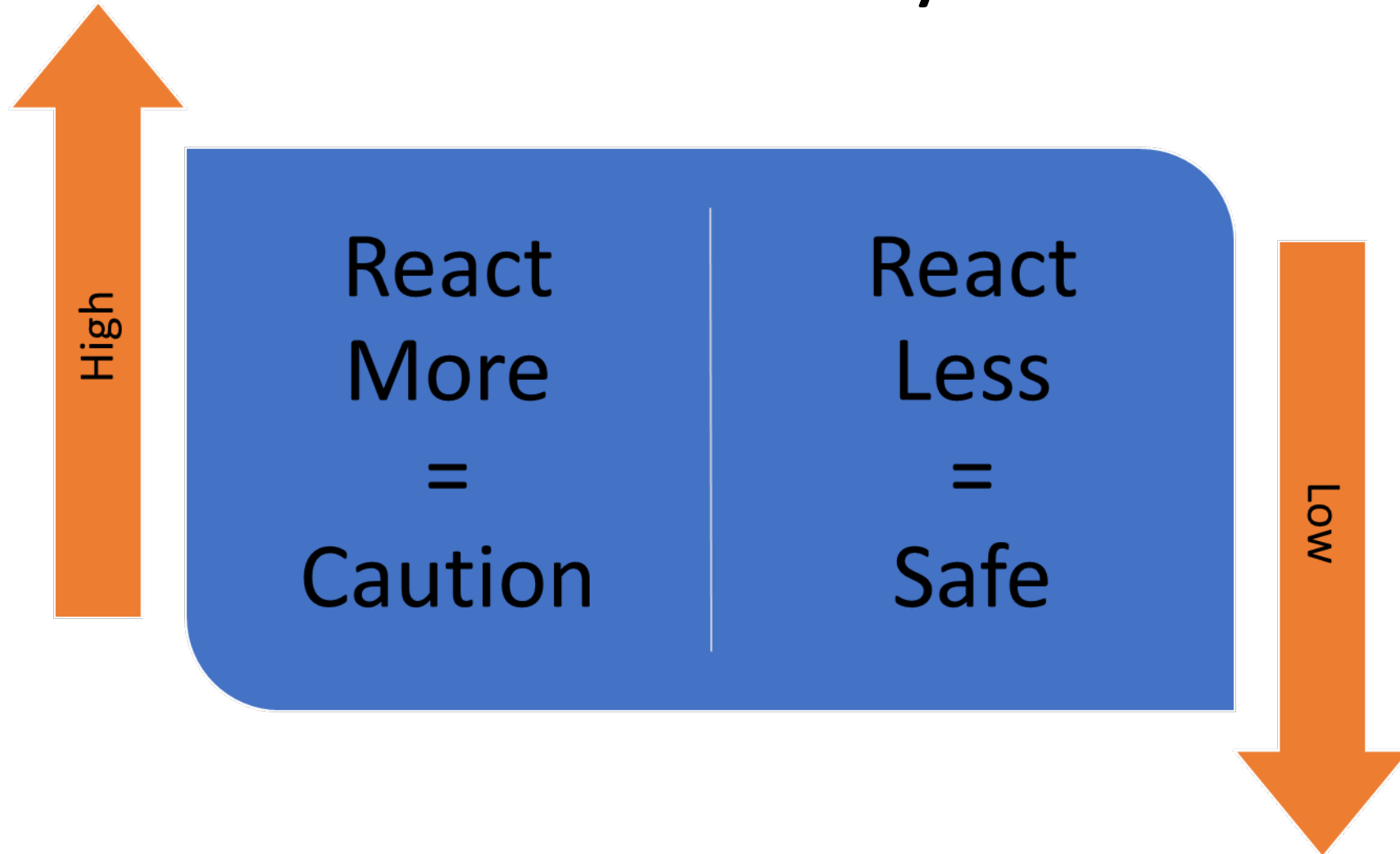


Price Elasticity (1)



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Price Elasticity (2)



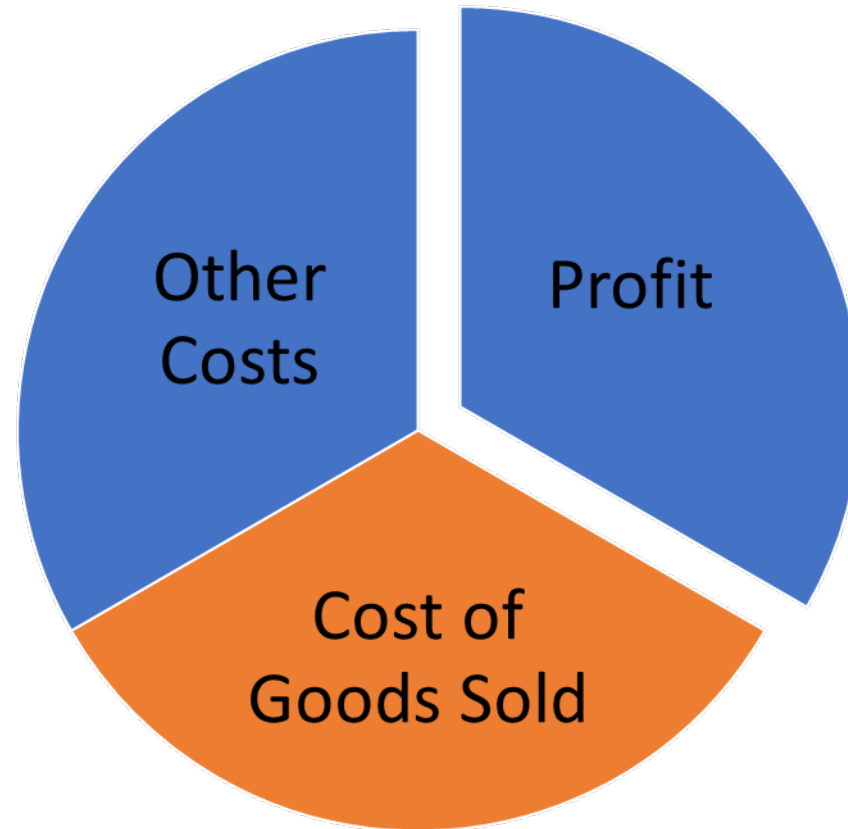
Use Your CFO



Double Check (1)



Double Check (2)



Profit Is The Result!!!



Fractional CFO Service



Your Fractional CFO Solution



Supporting Your Success

- Private Strategy Sessions
- Weekly Open Office Hours
- eCourse Library Access
- Budget-Friendly & Flexible

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