MODULE 5: PRICING, PACKAGES AND PROPOSALS

Floor, ceiling and market

Lesson: Cost-plus, market and value pricing · about 15 minutes

Work through these exercises to build a price for one of your core services using all three methods.

Your business (name, service, main city):

1. List your annual overhead costs by category and total them.

2. Write your target owner pay for the year and your realistic capacity in events or event-equivalents. Calculate overhead and pay per event.

3. List the direct costs of one event for your core service, then calculate your break-even price and your price at a 15 percent margin.

4. Gather at least five public prices for comparable services in your area. Note the source, the date and what each includes, and rank them from lowest to highest.

5. **Describe what your service is worth to your target client in money, time, risk or feeling. Write one sentence you could say to justify a price near that ceiling.**

6. **Choose your launch price and explain where it sits between your floor and ceiling and why.**

Check: can you now

- Calculate a full-cost floor price that includes overhead, owner pay and a profit margin
- Map competitors' published prices to place your offer within the local market
- Estimate the value of an event service to a client and use it to set a price ceiling

One change you will make this week