

How to Properly Price Your Services as a Solopreneur

Pricing services as a solopreneur can be a tricky task. You don't want to undercharge but you also don't want to price yourself out of the running. You want to deliver enough value to keep your clients happy while also turning enough profit to sustain a successful business.

But because you don't know where to start, all too often, you find yourself winging it or shooting in the dark when it comes to pricing. This guide will walk you through how to price your services properly, using a strategic approach. If you would like someone to talk you through this, the guide can be used in tandem with my Solopreneur Money podcast, Episode X, "How to Properly Price Your Services as a Solopreneur."

STEP 1

1/3 FOR PROFIT

- **Profit:** What is left over for you to take out of your business and put to work elsewhere such as funding a personal savings account, investing in a beach condo in Florida, or paying off personal debts.
- What are you wanting to put your money to work for?
- How much do you foresee setting aside to reach those goals?

STEP 2

1/3 FOR OVERHEAD

- **Overhead:** Ongoing expenses such as rent, phone bill, your internet services, payroll taxes, business insurance, marketing costs, supplies, software, etc.
- What are your total overhead costs?
- Are there any expenses that can be deemed unnecessary?
- Are there any expenses that have lower-cost alternatives or can be negotiated to a lower price?

STEP 3

1/3 FOR PAYROLL

- **Payroll:** Cost of labor to fulfill services to your clients and the associated administrative costs.
- What are you paying yourself? How are you paying yourself?
- What is the total payroll cost for employees? Are they being paid appropriately for the services they provide?
- What is the total cost for contractors? Are they being paid appropriately for the services they provide?

As you can see, it's important not to price your services based on arbitrary numbers or what your competition charges. You want to run a profitable, sustainable business that allows you to create freedom and a life you love. To price properly, you need to reverse engineer the amount of money you need to bring into the business through revenue, take a hard look at what it takes to run your company and deliver value to your client, and back into the process.

