



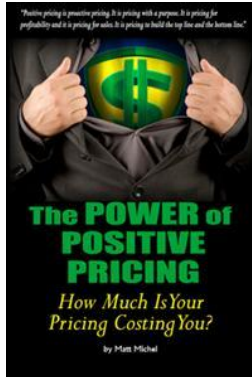
Topics: Trade and Services Pricing

Our Rating: 2/5



## *The Power of Positive Pricing*

How much is your business costing you? – Matt Michel



### Accretive Overview

This book seeks to redress a common problem in service company pricing philosophy – providers underprice their services as they don't understand their cost base or how to price strategically or proactively.

### Accretive's Key Takeout's:

To improve your pricing there are several key principals to follow:

**1. Service Pricing** – you need to understand costs and overheads to enable service prices to be the most profitable.

**2. Overtime Pricing** – you don't need to always charge hefty overtime rates to be profitable – you need to price right upfront...

*Positive pricing is a mix of science, economics and customer*

**3. Mark-ups on Materials** – Mark-ups on materials need to be scientific to ensure it relates to actual costs.

**4. Effective Hourly Rate** – If you don't understand how much it costs to keep your business in operation, how can you determine what your charges should be?

**5. Flex Pricing** – There is no reason why service companies can't engage in flex pricing like a big-box retailer – it doesn't mean all your prices have to be cheap, but it does mean you have to be strategic.

**6. Price Presentation** - Flat rate pricing resolves uncertainty in the consumers mind... so why

don't we do it?

**7. Service Agreements** – Unlike traditional thinking, service agreements are there to fill gaps and drive installation work (at higher margins)...

**8. Discounting** – Sometimes a discount is appropriate. You need to think about how to do it – off the top line or bottom line?

**9. Setting Fair Prices** – A fair price is something the buyer and the seller agree upon. Just remember it's unfair if coercion is used.

**10. How to handle complaints** - They will still occur – treat them with dignity and respect to retain the customer.

The book also contains some tables and self-guided exercises to build your own pricing matrix.

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