

10½ ways to stop price being an awkward conversation

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Let's be honest, conversations about money are never comfortable conversations and there are a variety of reasons for this.

Your client may have paid that price for years so increasing their fees could rock the boat.

You might feel uncomfortable quoting certain fees because of your perception of what your competitors are charging.

You may feel inclined to keep fees low to win work.

You might feel awkward increasing fees because the scope of your work has increased.

You've long accepted that writing off some time is just part and parcel of the job so why upset the clients by telling them otherwise?

The only problem is that fees make profit and profit makes a business.

This means you do need to have conversations about price and these conversations need to end with you quoting/supporting/contributing to you recording profitable time. With that in mind we'd like to share 10½ ways we've found stop price being an awkward conversation.

1. Relationships always trump price

Price is often presented as a reason to go elsewhere but this could say more about your relationship than your fee structure.

If you have a genuine working relationship, you'll know what your clients need, how they like it delivered, what else they want from you and what else you can do for them. Once you're doing all that stuff, value knocks cost out of the park. You can charge a premium not the market standard.

2. Reassuringly expensive

This is a strapline I'm guessing everyone recognises but why is it so memorable?

The reason is people will pay for what they want when they recognise it *is* what they want. Every product has a cheaper alternative but there is still a market for standard, middle of the road and luxury options.

The trick to supporting these options is being able to articulate the benefit of each in the language your chosen target market will understand. This articulation will support your pricing.

3. Quote on on outcome

Far too many lawyers and accountants focus on what they're going to do rather than on what their work will achieve.

When you're putting a proposal together, start with the end in mind. Start with what the client wants to achieve and work backwards, clearly setting out how what you propose to do will get them to that outcome.

4. Be confident

Your clients come to you because you can do something. Make sure that every time you see them or talk to them this comes across.

We are repeatedly told during client listening interviews that clients want "in your shoes advice", your gut reaction as to what you'd do in the same situation. If you can deliver that with confidence and purpose (and, of course, accuracy), costs will be less scrutinized.

5. There's a cost to going elsewhere

Never underestimate the value of what you know about your clients. You know their history, their objectives, where they've come from and where they want to go. This means that you can act and advise much more quickly than someone who doesn't have this knowledge.

This must be factored into your pricing.

6. Do you always trust the cheapest?

Nobody chooses house wine. Why? Because there's a natural suspicion of the cheapest option.

Yes, being the cheapest will bring some business in but is it the business you really want? In our experience the clients that are attracted by the lowest price are those who ascribe the least value to what you do.

What does that mean in plain English? They'll be the most demanding, the most irritating and the least profitable!

7. Don't underestimate emotion

There is an emotional value to all the advice you provide for your clients. This shouldn't be ignored when you are putting a fee estimate forward.

For private client services it may be that what you're proposing will mean early retirement and more time for family, travel, and hobbies or more inheritance for the children. Or for commercial clients it may mean less stress in dealing with difficult employees, a better price at exit or the ability to grow more quickly and easily.

If you know your clients, what they want to achieve and what pains them, you can directly address the emotional component and, by extension, redirect the conversation from cost to value.

8. Be upfront

When it comes to communicating price increases, always do it in person. Make sure you at least schedule a call (although a meeting - even if it's via Teams or Zoom - is always preferable). It'll give the opportunity to explain why your fees are going up and what that means for the client, i.e. that they'll get more from you!

9. Be flexible

If you are increasing fees, the increase will be received better if you flex to the client's payment preferences. You can offer different payment terms (e.g. a discount for paying in full upfront), you can move your billing cycle to match theirs or you can find discounts by bundling services.

Better still, you can include a range of service options (e.g. gold, silver and bronze) when you pitch so that clients feel they are choosing exactly what suits them best. And again, nobody ever chooses the house wine!

10. Go niche

It's been repeatedly proven that clients will pay a premium for advisers they feel are part of their world. When your marketing, market yourselves as specialists in the areas you want your clients to come from.

Speak in their language.

Address the issues they face.

Use reference points they'll understand.

Drop names they'll know.

10½. Have a clear value proposition

While a client value proposition may just sound like marketing jargon (which to be fair it is!), it's actually a vital part of your marketing, BD, client development and pricing strategies.

A value proposition is basically the answer to the question "why should I use your firm?" so if you don't have that fully formed and consistent across all your marketing channels - in person, in writing and online - it is difficult to support your proposed pricing before a pricing conversation even starts.

How can we help your firm grow?

If you would like to discuss any aspect of your firm, practice or chambers' marketing or business development please email claire@tenandahalf.co.uk and book your FREE initial 45 minute consultancy.



www.tenandahalf.co.uk
info@tenandahalf.co.uk