



Virtual Roundtable
CPA Firm Pricing Strategies
Moderated by Ron Baker

Overview

A business is defined by the value it creates for its customers. Your price speaks volumes about your value proposition, more so than any other component of your firm's marketing. Yet, an overwhelming majority of CPA firms price their services by the flawed hourly billing method. This method is outdated, suboptimal, and driving the best and brightest out of the profession. While CPAs serve noble callings, the predominant method of pricing for their services is not worthy of them. There is a better way.

This idea exchange demonstrates a superior business model to price for professional services: selling intellectual capital with pricing based on the results and value it creates, not the cost or time it took to deliver. Clients don't buy time; they buy value. Firms with a better understanding of value have an enormous competitive advantage in attracting both clients and team members.

Who Should Participate

Any firm leader who is interested in the possibility of replacing the "We sell time" business model, maximizing their profits, and the quality of their life, while increasing customer satisfaction, loyalty, and retention, will benefit from this thought-provoking and leading-edge idea exchange.

Benefits of Participating

Price is the marketing moment of truth. It's the number one driver of profitability in any firm, more so than cutting costs, increasing efficiency, and even rainmaking. This program is designed to help firms price on purpose, developing a core competency in this essential skill. As a result, your firm's culture will become obsessed with client value, not time spent.

The following session agenda contains topic starting points as the group will ultimately determine the final topics and subjects within the arena they wish to drill down and focus on.

FREE Series Overview

Session #1: Having the Value Conversation

All prices are, ultimately, determined by the subjective value perceptions of the customer. This makes having a conversation with the client to *comprehend* and *communicate* your firm's value essential. This first step in the eight-step process is the most important, and difficult, to implement. Skipping this step is similar to a contractor attempting to build a customer's dream home without any architectural plans.

The better your firm comprehends the client's value drivers, the more likely you will be able to *create* maximum value, *convince* the client they must pay for that value, and *capture* that value with an effective pricing strategy custom tailored to the client.

Agenda:

- The difference between pricing and billing
- Understanding the economic definition of value, and the five Cs of value
- The best opening statement ever spoken for every Value Conversation
- Questions you should ask the client
- Understanding the client's Seven Purchase Risks, and how to mitigate them to add more value
- Knowing your firm's materialist and spiritual value drivers

Session #2: Pricing the Client, Not the Services

Since all value is subjective, firms need to stop pricing services and price the client instead. However, it's far easier to establish a bad price than a good one. Price is a terrorist, instilling unwarranted fear in the seller, which leads to underpricing.

Agenda:

- Proper client selection—there is no right way to value price the *wrong* client
- Using price leverage and price psychology to your advantage
- Why you need to know the costs to serve *before* you begin the work, not after
- Not allowing your dumbest competitors to set your price
- Establishing a Value Council and appointing a Chief Value Officer (CVO)
- Assessing the client's price sensitivity, the best predictor of willingness to pay
- Utilizing the Peter van Westendorp Price Sensitivity Meter
- Questions to ask before establishing a price

Session #3: Developing Value Options

One of the most client-centric strategies your firm can deploy is to offer an array of options. Clients prefer options, especially in today's world where they face a range of choices regarding who, when, what, and how to patronize a business.

Agenda

- How behavioral economic insights can change a client's purchasing decision from price to value
- Two models on how to scope and price complex services
- The Six Ts of offering options
- Pricing options using the Neinbach Model
- How to increase your price by 50 to 90 percent over your nearest competitor

Session #4: Fixed Price Agreements, Pricing Objections, Project Management

This session will continue with the eight steps in Implementing Value Pricing.

Agenda

- How to handle price objections
- The components of a successful Fixed Price Agreement
- The basics of project management

Session #5: Change Requests and Pricing Reviews

This session will complete the rest of the eight steps in Implementing Value Pricing.

Agenda

- Dealing with scope creep and scope seep: Change Requests and Change Orders
- The Pricing After Action Review: 20 Questions the Value Council needs to answer

Session #6: Planning and Moving Forward

Pricing is an art, not a science. But it's also a skill, meaning the more you do it, the better you will get. This supplemental special session is included to discuss any remaining topics that are bound to arise over the issue of implementation, and as a way to share pricing strategies that empirically work.

Agenda

- Topics to be selected by the participants and moderator