Twitter Thread by Freedom Designer



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How to Price Your Services in a Way You Don't Get Busto

// A THREAD //

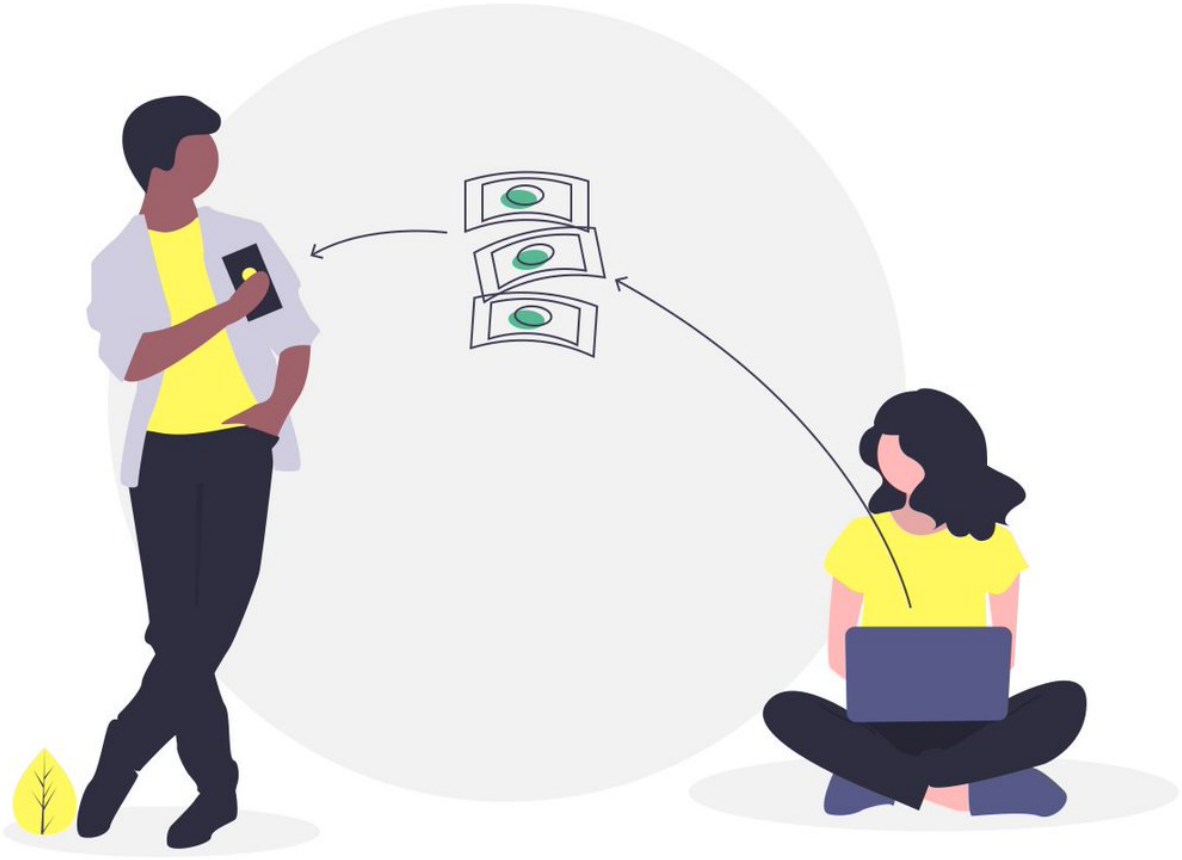


Whether you're a full-time freelancer or you just want freelance on the side you have to know your price so you don't get busto.

We will discuss the three most common ways how to price your services:

- Hourly rate
- Project rate
- Service as a product

But basics first.



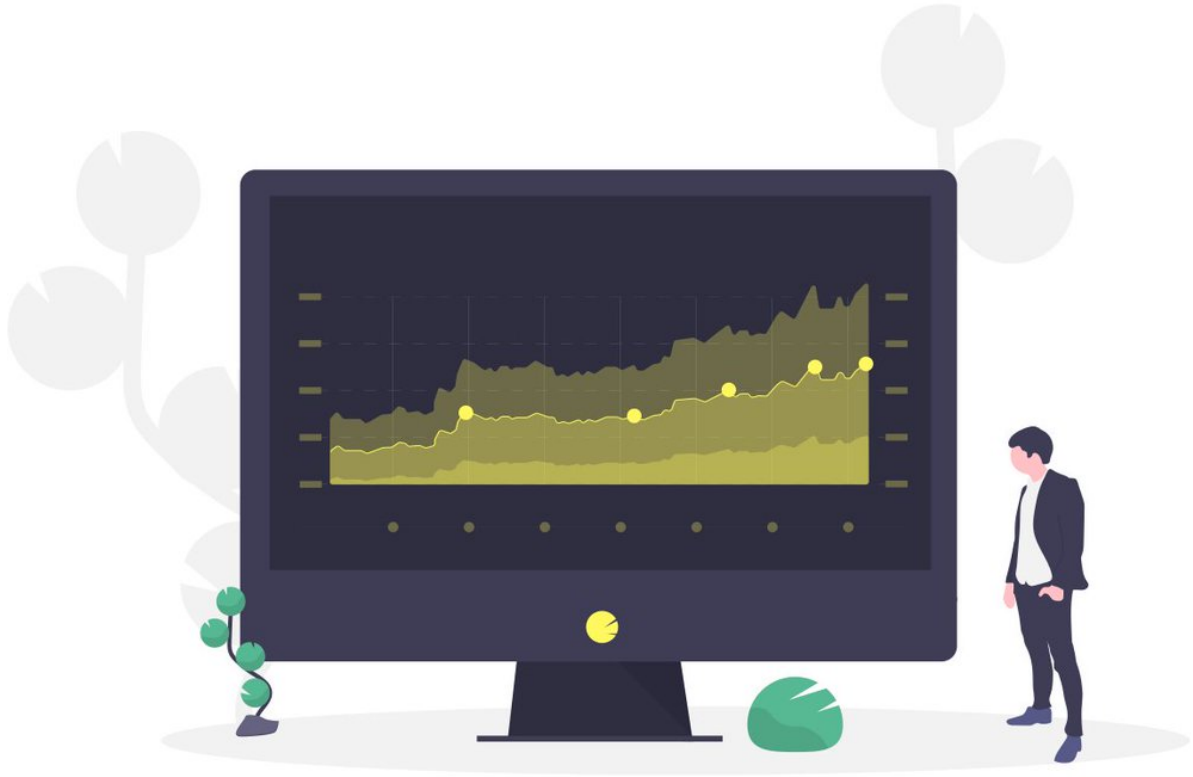
Don't think about the price as a one-night-stand.

Rather build a very close relationship with it.

It:

- helps you to increase/decrease demand
- gives hints about how good/bad your service is
- positions yourself on the market

Know how to use this tool.



Cheaper ≠ Better

Imagine someone selling you a car for $350.

What would you think about it?

Exactly.

Set the fair price, not the scam inducing one.

The cheap price will bring you a specific sort of people.
- to be polite.

So always compete with quality, not price.



1. Hourly rate

This is the most straightforward way how to set your price.

How to set it?

The basic equation may look like:
[Monthly target profit ($) + All costs ($)] / no. of billable hours in a month

PS. Even if you're starting out don't get much lower under this price.



1b. Tools that will help you to set your hourly rate:

Get an idea: https://t.co/BGibIPZeqX

Advanced calculator: https://t.co/QnzbtDRTUw

If you're not sure set a little lower hourly rate and then you can increase it.

Remember: "Price is the tool to use".



2. Project rate

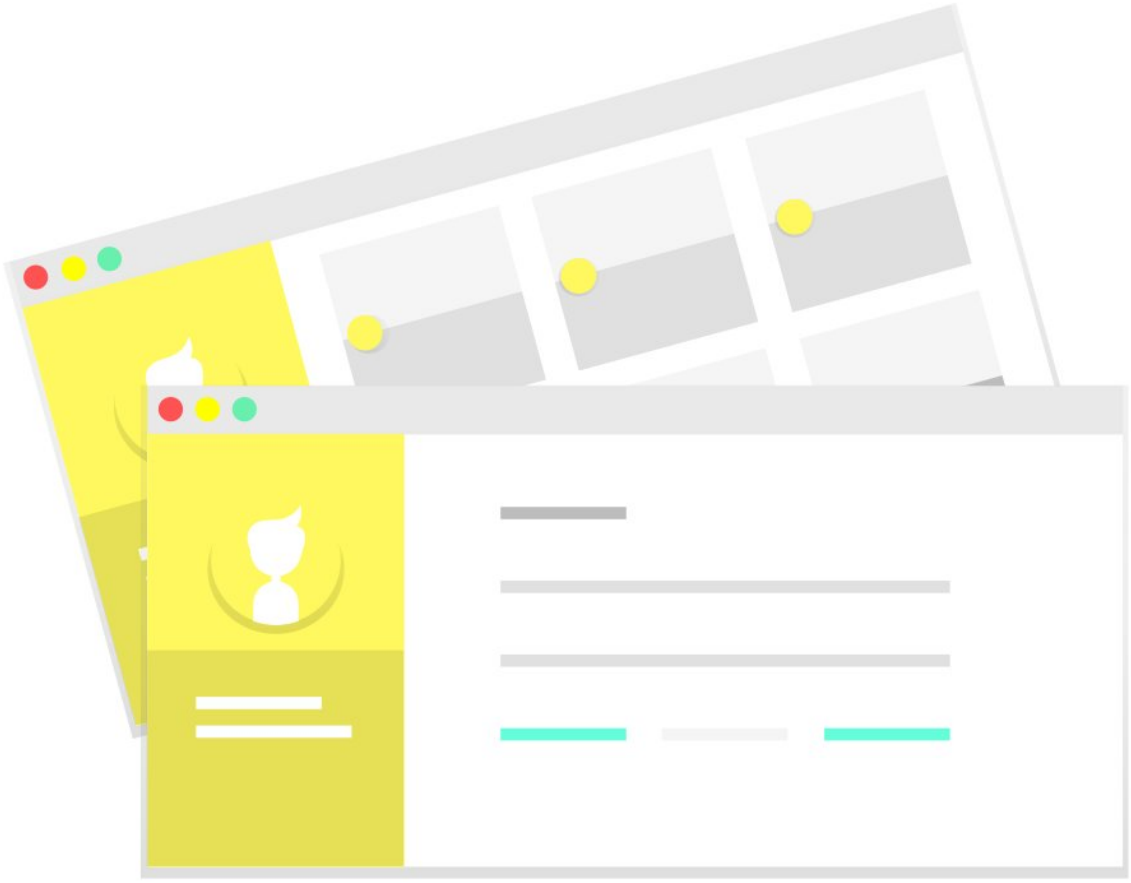
This means you will tell the client how much (exactly) he will pay before the work even starts.

Let's say somebody wants a website:

So you take:

- 15 hours for creating it
- 5 hours for communication
- 20% time reserve

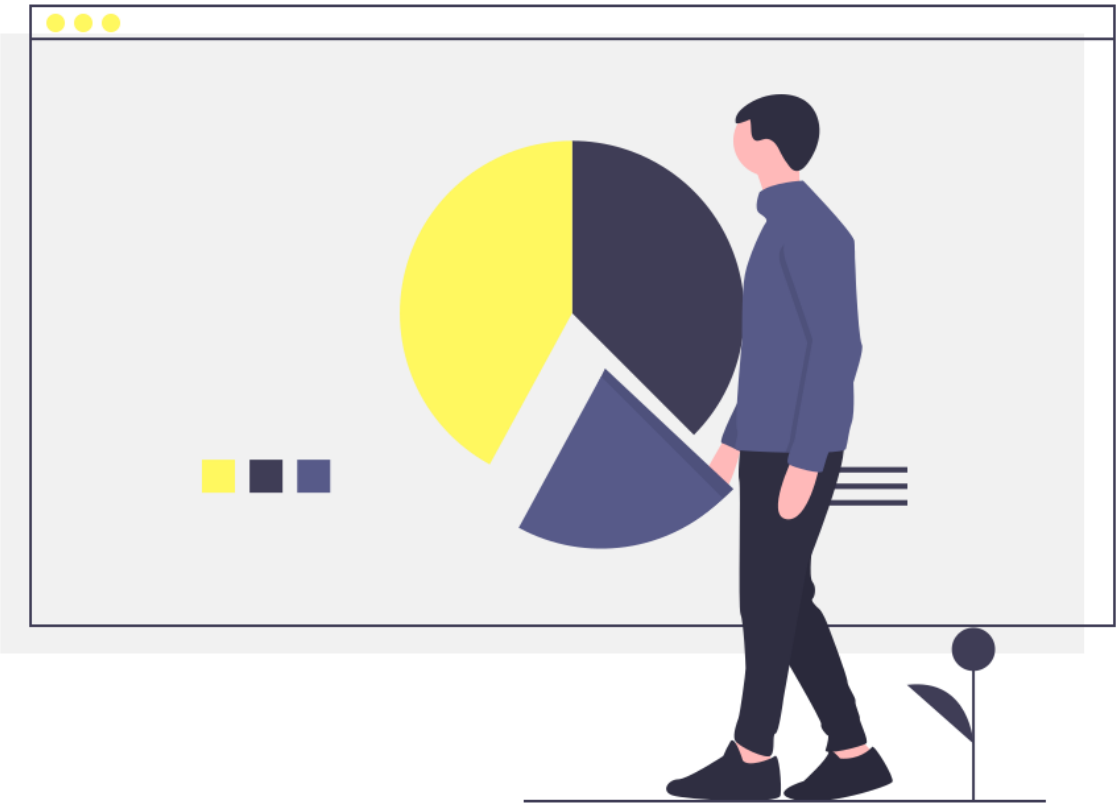
Project rate = 24 hours * hourly rate



2b. Tip: Really count it, don't guess

Using the hourly rate (and take reserve) is the easiest way. Break the price down to the client as well.

PS. $3000 for a website seems like you have a HUGE margin there. Better say $3180 and put yourself into a better negotiation position.



3. Selling your service as a product

- Turnkey website
- Course
- Workshop

The "service" has defined

- Scope
- Price
- Complexity

You can see this type of pricing mostly on platforms like UpWork or Fiverr.



3b. The service can even have its own website, reviews, etc.

It's not ideal for any type of service but for some as:

- Small websites
- Logo making
- Template design

It may be the best solution for both sides.

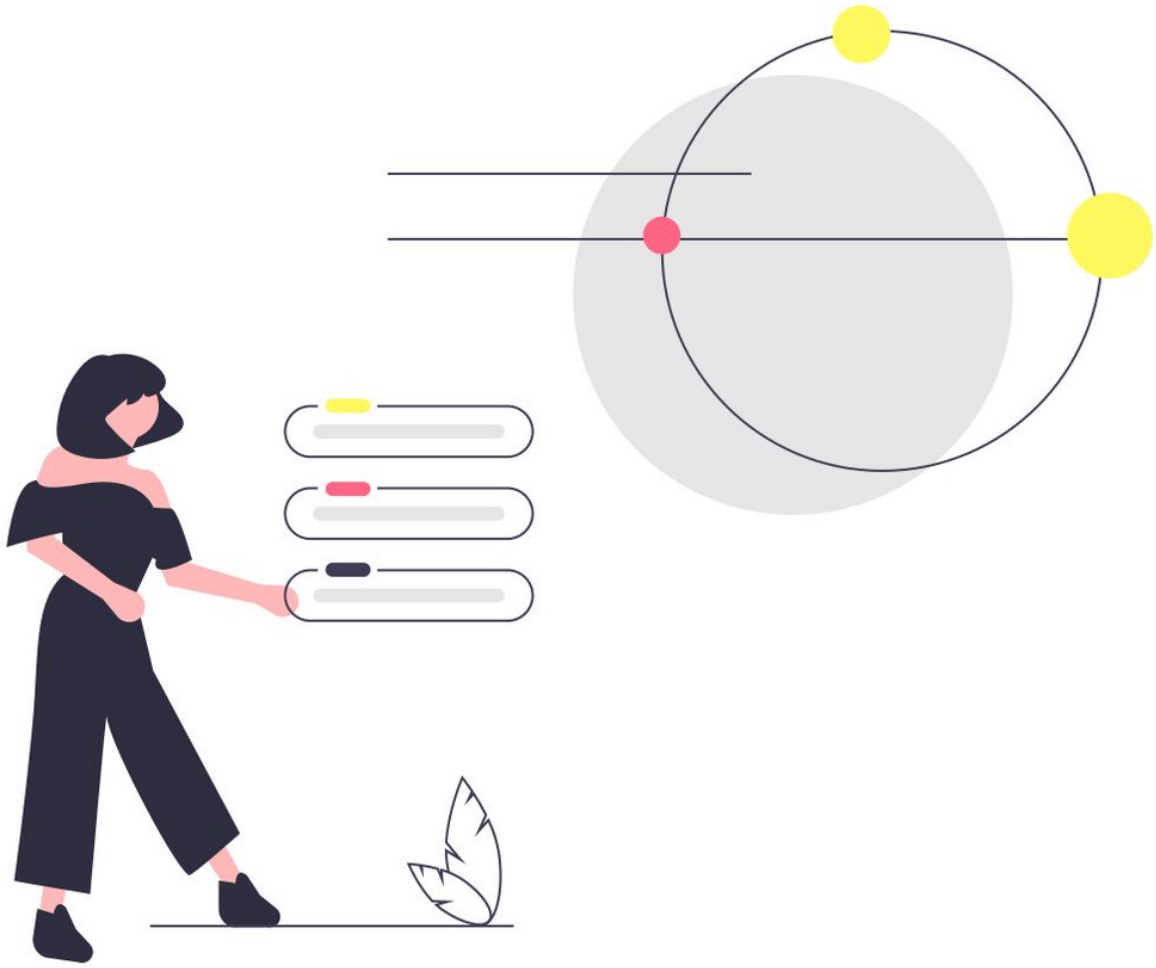
But always check what's the standard in your niche.



To sum it up:

1. Count your (roughly) minimum hourly rate.
2. Check the pricing conventions in your field
3. Prepare the rough price list

Have a great time getting new clients and starting your freelance career!



Thanks for reading!

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■ Which of the pricing approaches do you think is best for your business?

