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pricing. Let's take a closer look at how your firm can help with price changes and why it's important.

Jan. 25, 2022



Pricing a product or service can be challenging and time-consuming. As costs increase over time, prices should (ideally) adjust accordingly. As an accountant, you may have noticed that your clients struggle to change or manage pricing their products. They may make adjustments when absolutely necessary, but if poorly executed can lead to problems with their client and customer retention.

One way to add value to your accounting firm's services is to help clients with their

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If clients pay higher prices for materials, labor, or services, their profits will shrink if they don't adjust their pricing.

## How to Help Clients with Their Pricing

To remain profitable, clients should adjust their rates and pricing steadily and as needed. Your accounting firm can help with this process. Here's how.

## Know the Client's Business and Customers

In order to help clients with their pricing, you need to understand their business.

- What is their vision and mission?
- What products or services do they offer?
- What is their expertise?
- Who are their customers/clients?
- What is their value proposition?
- What are the company's goals?

In addition to understanding their business, you also need to understand the market. Where is the market right now, and where is it headed?

Understanding your client's business and their market is the key to finding opportunities for price adjustments.

## Analyze Their Financials

Understanding the client's business is just one piece of the puzzle when making price

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cost of materials has gone up, the cost of their goods should be adjusted accordingly. Inflation should be a consideration when adjusting prices.

- If they offer services, are they selling themselves short? Clients sometimes don't realize just how much time they're spending on tasks and may not factor in their time when pricing their services. When they really sit down and do the math, they find they're earning less than their ideal hourly rate. A case like this (which is quite common) is a prime opportunity for a price increase.

Reviewing the client's financials will help you both understand areas where prices can be adjusted or even identify services or products that are unprofitable and should be removed.

In some cases, you may find that your clients are charging far below what they should be charging. For example, an experienced professional can and should be charging higher than the market rate. This is yet another example where a client can raise rates and increase profitability.

Conducting financial reviews regularly can help clients change their pricing as needed and gradually over time rather than shocking customers or clients with a major price hike.

## Create a Plan to Avoid Sticker Shocks

How often do your clients raise their prices? Do they wait five years or even a decade to adjust their pricing? It's never easy to raise the price of a product or service, but it is necessary.

Many clients procrastinate on price increases out of fear of losing customers or clients. When they ultimately take the dive and raise their rates, customers and clients feel the pain of sticker shock.

The better approach is to raise prices steadily and regularly. Customers or clients can

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Pricing can be a sensitive topic for clients, but it's important to address. As expenses rise, your clients need to raise their own prices accordingly and strategically. Understanding your client's business and their financials can help you uncover opportunities for price increases and optimization of products or services. At the same time, offering this service can increase the value of your client services.

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