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your earning potential, and is generally a terrible idea.

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By Sean M. Duncan, CPA

Congratulations! You've decided it's time to dive in and give [advisory services](#) a go in your practice!

You've done the hard work of deciding what services you are going to offer, who you want to target, and even have a plan on how to roll it all out. Whether you have done

this through a formal training program such as my [Chief Proactive Advisor Master](#)

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get on the right track with some tricks I have learned over the years.

It starts with a few simple questions:

1. What is the service worth to the client?
2. What best supports my long-run business goals?
3. What are you allowed to charge?

What is the service worth to the client?

Why charge \$75 for a 1/4 hour of work when you saved your client \$5,000 in taxes? Right?

If you have been looking into pricing already, you have already heard of [value pricing](#). It is amazing stuff, and I have personally experienced its power in my practice and with practices I have coached. Don't worry ... I'm not going to spend pages describing value-based pricing because there are hundreds of articles out there about it.

What I want to share with you are the key elements we look at when arriving at a fee to charge:

Quantifiable savings (DUH!): tax savings

Your competition:

- I don't care what others are charging; what I want you to consider is if there is competition for what you do.
- You may find out that you are the only one in your area doing what you do; that automatically makes you a premium service.
- Increase your fee accordingly. Supply and demand!

Time savings:

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that stress away has value.

- DO NOT underestimate the importance of this!

Opportunity:

- If I do this thing for them, what other thing can they now do?
- If your client gets to see their kid play every soccer game that they missed, they get to create a new product or service, or they just get more sleep; it has value.

I know you are looking at the last three and asking: “Okay ... seriously. How do I know what *that's* worth to the client?” It's time to put on your creativity hat.

Pricing is an art, not a science. Every single client will value these things differently, and it's up to you to “feel” your way to the right price. There is nothing wrong with uniquely pricing because every client is also unique.

If all else fails, price higher than you normally would. If they balk, you can always adjust the service offering to come down to a level that they are comfortable with.

What best supports my long run business goals?

- Are you trying to build a business with a few high-paying clients or a high-volume practice?
- Are you wanting to do projects or have subscription-based services?
- Are you planning on building a team of professionals or just do this advisory stuff yourself?

There are no wrong answers. You just need to know what you are building. The pricing needs to support that.

For example, if you are targeting higher paying clients, you have to be willing to turn

away those people who complain that you are too expensive. If you are going to be a

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contingency fee.

And they are right.

If you charge a fee after the completion of your work based on the actual amount of savings you generate from your strategies, you would be in violation of our ethical code. Charging a fee that is agreed upon ahead of time, based on the estimated value of your service, is not a contingency fee.

Think about this. You are making a fair offer based on your estimated value to the client. They reserve the right to decline. There is no contingent fee, only an offer and acceptance. **Of course, do not promise tax savings.** Oh my gosh! I hope you know better than that.

If you have other licenses, what are the rules of your licenses on pricing? Lots of industries have guidelines on this, and you need to be aware of those rules before building your pricing model.

If you aren't restricted by licensing or other professional rules, congratulations!

Think about your value

As I said above, pricing is an art and not a science. You are going to have to experiment a little. Every person is different, and their perception of value will also be different.

What you cannot do is let the client dictate your value.

What you do is extremely valuable, and you should be paid fairly for the value you create. Stick to your guns. If your fee is less than the value you bring, be willing to let them walk away if they say "no." There will be another client.

Not enough professionals provide advisory services, so the supply and demand

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productive tax, law, and wealth management strategies to his clients. Sean shares his passion for creating value for clients with other accounting professionals to help them create a more profitable, productive, and fulfilling career with more work-life balance.

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