

# Business Bullet ~

## Don't be Afraid to Raise Your Prices

Business owners often fear they'll lose customers if they raise their prices. So, they price their services or products about the same year after year. Meanwhile, their own cost of doing business and the cost of living goes up.

Don't fall into that trap. At least once a year, compare the prices you're charging to what your competitors charge. If everyone is charging more than you, raise your prices immediately. In all other cases, consider what the market will bear and how much you want to work. If you sell 1000 sandwiches a week and raise your price by 25 cents per sandwich, you'll bring in about \$1000 more a month. If you sell services and you raise your rates, your higher rates may allow you to get rid of some unprofitable customers and make time for more profitable customers.

How do you know for sure that you are under charging? Here are five clues (plus a bonus one) that will tell you, clear as day, if you can comfortably and easily charge more, starting now.

#1) **You have no time to market** because you're too busy serving customers. If you're busy, then it's time to raise your fees. Be prepared to lose the bottom 10% of your clients. Why can this be a good thing? Because you'll make room for more profitable clients, and the marketing it takes to stake your claim as the expert you are.

#2) **Your prospective clients compare you to someone else.** If your clients are price shopping, then you're positioned as a commodity. Do not hesitate — raise your rates immediately! Then, get busy focusing your almost-client conversations on value, not price.

#3) **You haven't raised your rates in more than six months.** Old rates mean old thinking. Raise them now, and notice how you instantly step up into the kind of person who knows she's worth it!

#4) **You're hearing 'no' from prospective clients.** This may initially sound like a clue to decrease your fees, but the opposite is true. Why? If you're hearing 'no', then something is not right. You're either marketing to the wrong type of client or focused on features and process instead of results and value.

#5) **You're hearing 'yes' from practically every prospective client.** Hearing 'yes' from more than 80% of your almost-clients means you're a bargain and they know it. Now, I would much prefer to take advantage of a bargain, not be the bargain being taken advantage of.

Bonus Clue: **You know in your gut your rates aren't where they should be.** Trust your intuition. See those fees you know are too low? Raise them!

You won't know if your price is too high until you test it. One thing we can guarantee is that when you do, you'll instantly edge yourself into new thinking and believing in yourself!

