

CASE STUDY



ANATOMY OF A PRICING CONVERSATION:

Understanding your value and how to price it

LiveCA are the largest firm in Canada without an office. This virtual practice has also shown impressive growth over the last three years, clearing \$1 million in yearly revenues within two years. Key to their success is their commitment to value pricing. Co-Founder Chad Davis explains their approach.

Chad Davis explains what value pricing means at LiveCA, “We define profit in more than one way. It’s not just financial, it’s all the other stuff that gets you up in the morning. For example, when a customer calls you, what’s the feeling you get when you see their name pop up on your phone.”

“Value pricing is a mindset and it always starts with thinking about the customer and diagnosing what it is that they value.”

Every new client that comes to LiveCA goes through the same pricing process, usually conducted over the phone or on Skype, since the practice has no premises.

The process is always evolving because, in Chad’s words, value pricing is a journey and one on which it’s ok to make mistakes.

STEP 1: INFORMATION GATHERING

“We start with an information gathering call. It’s not meant to dig deep, but we look to get enough information to set the tone and see if the person is the right fit.” explains Chad. LiveCA don’t charge for this first call, but it does help them decide whether this client is worth spending more time on. they want.

“We want to find out if they’re shopping for the lowest

billable rate or if they’re genuinely interested in having a professional relationship,” says Chad.

“We ask about the background of the business, how they invoice, what issues do they experience when they invoice, what types of expenses do they have, what does their CRM look like, what does your ideal client relationship look like?”

The conversation then moves to LiveCA itself.

“We’ll cover the firm, our team, our philosophy and ask them if they’re willing to go to the next step. It’s always important for us be respectful, and imagine being in their shoes.”

“Some firms would use questionnaires for this step, but we’ve found this first call really works to start the relationship off right.”

STEP 2: DEEPER DIVE

The second call is a chance to dig deeper into what the client really cares about, while demonstrating their interest in working with the client at a more involved level.

“We’re after a deeper understanding of what they want to get out of the relationship and to push for questions they may not realise they have,” says Chad.

"It's really important to frame this conversation for them, making it clear what you want from them, such as a list of their biggest business issues. And one of the questions I ask right away is 'What is one issue we can't skip on our call today?'"

"It puts the ball in their court and gives them back some control. For our part, we want to find their pain points and what they want out of the relationship, so those are the questions we ask. "

Other leading questions might include:

- What are you looking to measure in your business?
- What keeps you awake at night?
- Why come to us now?
- How would you rate the performance of your current business processes?

The goal is always to be aligned with maximising value for the client, and as long as there is profit for both sides along the way then everyone wins.

STEP 3: TECHNOLOGY DEMO

This second call leads into the demonstration of what the practice can offer the client.

"This is where we take everything we've learned so far and demonstrate our solution to their problems. It makes the relationship more personable, as we're giving them the evidence to decide they want to work with us or not," says Chad.

"We go over Xero, Quickbooks Online and Receipt Bank, as well as any other apps that we think could help."

"So now they know us better and trust that we know what we're talking about. Then we can start discussing how much this creates value their clients and their business."

STEP 4: THE PRICING DISCUSSION

Only now does price start to be discussed and the team are careful to match services to the specific needs of the client.

"Once we have all that information, we can create the different options for them to choose from. We frame the conversation as 'Based on our interpretation of what we think is valuable to you, here's how we'd like to work with you.'"

"We offer them three options. Some people use three choices to push the client into choosing one in particular, but we price our packages so we'd be happy with them picking any of them."

CHAD'S PRICING TIPS

1. Before you implement a value pricing strategy, you need to decide what kind of approach you want to pursue. Some people go for a highly automated, low touchpoint method. We prefer a more personalised, high-touch process. There's no one way to do it though, you need to go with what works for your firm.
2. Practice the onboarding process before you get that first customer. It should feel like a human interaction rather than just a sales process, so try and make it feel natural.
3. Once you've done your first full onboarding process, talk it through with the customer afterwards. You could also get permission to record the conversation and discuss it with colleagues/ friends/ family. Your process will always be developing, so feedback is crucial.
4. Don't be afraid of renegotiation at the pricing stage. You can still fine-tune as you go. If you need to discuss it a little more, that's just covering the bits that you didn't sort out in the previous conversations.
5. Don't be afraid to keep learning. 90% of the things we do today, we didn't do in the beginning.