

## **Share this with your Retailers who are Partners! TO WIN BUSINESS – SET THE RIGHT PRICE!**

This is one of the most important business decisions you will ever make. Price sets you apart. Customers will often judge you in part on what your fees are. They represent YOU, quality! If you price your work too low, will Customers wonder what is wrong with your work? Will overpriced service cause you to lose Customers to competitors?

The RIGHT price must be set high enough to make your business profitable. For gosh sakes, DON'T PLAY LOW BALL! Don't lack the confidence to sell value! One price does not fit all installations! Price according to the time required to DO IT RIGHT! Under pricing kills your company and your dreams!

If you compete on price alone, you probably will attract the type of Customer that deserts you as soon as the cheaper guy comes along. That's right.... the cheaper guy always comes along! If you are the cheapest, you have more work than you can afford to do and there will be NO profit at the end of the day. If you always charge far less than the value received, you just won't keep your company strong to provide that quality product.

Have you been charging the same fees for more than a year? Are you delivering more for the money than you used to? Are you swamped with work, but have no money? Do you constantly beat out the competitor's price? Watch out! These are signs that you need to raise your prices!

Start now visiting with your clients and telling them that a price increase will be occurring in December based on your increased costs. Give them an opportunity to sign contracts on work this year based on the existing prices. You just may lose a Customer or two. Some clients just won't be able to afford the increase. But the day has passed when Installers are told, "If you want more money, install more yards, work more hours!" It's just not done in any other trade, so why in the flooring business? Once again, Sell VALUE! Don't get too old too soon and too tired with nothing to show for a day of hard work! Make it count!

Sell CFI Certification! Sell your guarantees! Sell "Show up on Time!" Sell a clean van and uniformed Installers with great attitudes!" Sell Customer Service! Sell cleanup and vacuum! Sell Professionalism! Folks, this all has a VALUE! Everybody isn't doing this, ask any Retailer!

Price your work based on VALUE! What do you deliver to Customer that makes a specific difference? Can you collect when the job is finished? How large is the punch list? How well did you communicate with the client? All of these things and more have REAL VALUE! Learn how to sell them!

Customers will pay more if they know they are receiving REAL VALUE. They have had it with the other type of service. Work with a Partner that knows how to SELL value! That's when you develop the type of relationship that makes money for all parties.

Now, deliver what you sold!!! This stands for a lasting partnership!

Your Customers will never leave you when the cheap guy comes along, GUARANTEEEEEED!

**FOR THE INDEPENDENT CONTRACTOR**

**HOW MANY HOURS WILL YOU REALLY WORK? BE REALISTIC!**

- 1) \_\_\_\_\_ Hours worked per week x 52 = hours for the year \_\_\_\_\_
- 2) Subtract 8 hours for each holiday you expect to take off Total x 8 +  
(Christmas, Hannukah, New Year's, Memorial Day, 4<sup>th</sup> of July, Labor Day, Thanksgiving, etc.) \_\_\_\_\_
- 3) Subtract 40 hours for every week of vacation you expect to take – Total x 40 \_\_\_\_\_
- 4) Subtract 8 hours for day that unforeseen problem should occur Total x 8 \_\_\_\_\_
- 5) Subtotal your working hours \_\_\_\_\_
- 6) Subtract a 1/3 of your time for non-billable activities  
(Marketing, returning phone calls, accounting, education/training, etc.) \_\_\_\_\_
- 7) Subtotal \_\_\_\_\_
- 8) Take 10% of the above figure and call it downtime  
(Periods when there is no work available, etc.) \_\_\_\_\_
- 9) Finally, just how many hours a year can you bill? \_\_\_\_\_

**NOW, HOW MUCH DO YOU REALLY NEED TO EARN?**

- 1) Your target salary annually \_\_\_\_\_
- 2) Plus 30% to cover benefits and self-employment taxes \_\_\_\_\_
- 3) Your annual overhead costs (vehicle, insurance, rent, supplies, gasoline, etc.) \_\_\_\_\_
- 4) Add it up, the total is the amount you need to make in a year **TOTAL** \_\_\_\_\_

**PUT IT ALL TOGETHER TO FIND YOUR HOURLY RATE**

**Bill your installation skills accordingly!**

Write YOUR annual earnings need \$ \_\_\_\_\_  
Divide this figure by YOUR possible hours billed \_\_\_\_\_  
This figure is YOUR target hourly rate \_\_\_\_\_

**LIKE IT?** Better get to work! Review your pricing structure and start working for FUN!