



Determining a pricing structure that is right for your business and not the business across the street is a must if you want to operate a profitable business.

If your prices are lower than what this formula calculates as your base price you need to consider an immediate price increase. This comes with some strategy behind the price increase and may need to be staggered to get you to this point with current clients, but should be the new standard price for new clients.

The Base Price for your services is the price you must charge in order to meet all your expenses and ensure profitability.

FOLLOW THE STEPS BELOW TO DETERMINE YOUR BASE PRICE

Total Monthly Expenses: \$ _____

*This is ALL of your monthly expenses for your business. (Fixed and variable expenses.)

Desired Monthly Profit: \$ _____

*Not what you are currently making, but what you would like to make.

Number of clients you can work with each month: _____

*If you have staff that deliver client services, account for the total number of clients the entire team has the ability to work with over the month.

Necessary Gross Monthly Sales: \$ _____

*Add the Total Monthly Expenses to the desired monthly profit and put that number above

Necessary Base Price: _____

*Divide the necessary Gross Monthly Sales by the number of clients you can work with each month
This is the base price each client needs to be paying in order to be profitable.

If you have multiple services, you can run this for each service that you offer.

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