

Connections

Staying connected to what helps us grow!
November, 2006 Vol.1, Issue 6

Pricing Your Products and Services



We've all agonized over how to price our products. We struggle with where to set our price to win over a client. On October 10, Stephanie Sharp, founder of Sharp Designs and a 20 year veteran of the graphic communications

industry talked to us about how to set our price and create smart pricing strategies to get paid our worth.

Every business needs to get baseline pricing information. One of the best ways to get this information is to use a variety of approaches. Stephanie suggested sleuthing the internet for a like business and see what they are charging, talking to others who own similar businesses, joining an online discussion group that offers business information and insights, or checking with Salary.com which shows how the prices of goods and services and the cost of living changes from location to location.

To set the best price, we need to keep in mind the expenses we need to cover, specifically overhead, hourly pay, social security expenses and benefits, cost to administer our business and the cost of self-promotion and marketing. To help us make the determination, Stephanie shared six different calculation rate formulas.

Correct pricing is critical to ensuring our success. Setting the right fee involves three fundamental conditions: the cost of staying in business, a best estimate of the nature and complexity of the proposed product or service, and knowing the intrinsic value of the final product (market conditions).

Ultimately, whatever our enterprise, our goal for pricing should be to establish a clear and definite price, place our firm in a reasonable position relative to its competition, allow enough flexibility to adjust our fees depending on the

situation, and get paid a fair price based on our company's talent, experience and efficiency.

New Women's Business Magazine Premiering November 2006

The U.S. Women's Chamber of Commerce is publishing The U.S. Women's Business Journal™. The monthly content includes: business issues, contracting opportunities and obstacles, financial planning concepts, news and commentary, corporate watch, global business, politics and policy. There's no corporate hype, just the facts you need to know. The USWBJ newspaper is published in print and online and is encouraging women business owners to subscribe, advertise, and contribute to this exciting new publication. If interested go to www.uswbj.com.

FYI: Are you eligible for a refund? Read more....

Recently the IRS and Treasury Department discontinued the Federal Excise Tax (FET) that it was charging for long-distance, wireless and other bundled telecom services. It amounted to a 3% tax on the monthly charges incurred for these services. Phone companies were ordered to stop collecting FET by August 2006.

Businesses that used long distance or cellular phone services between March 2003 and July 2006 can request a full refund of the FET during this time. (The statute of limitations is only the past three years). The calculated overpayment will be refunded with your business 2006 Federal income tax returns. Review your January & February 2006 telephone bills, including wireless to determine your refund. For more information be sure to talk to you CPA.

Important Notice! *Negotiation and The*

Art of War with Gene Killian will be held on November 13 from 5:30PM - 8PM at the Hampton Inn. Registration ends November 10. Seats are limited. For more information and to register, call Karen Monroy at 908-968-0859 or e-mail her at karen@karenmonroy.com



SAVE these Dates...

Chapter Meetings: December 11 - Christmas Party; January 8 - Organizing Your Office, Client Base, and Time; February 12 - Love Your Home Based Business - Legal Issues and Unforeseen Circumstances.

BIZ Book Club: Wednesday, November 29 at 8 AM at Borders in Flemington. We'll be discussing Getting Past NO by William Ury. Books can be purchased at the store. Be sure to use your Borders Rewards or Corporate Card to get a discount.