



# **Universal Law #1 Pricing**

## **Module Five: Price Presentation Strategies**

Today, there are three prominent pricing strategies that contractors use, but only one is clearly superior.

**Pricing Strategy #1 - Time & Material Pricing**

Pros

1. If done correctly, there's \_\_\_\_\_ on every call.

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2. \_\_\_\_\_ can easily be kept at a percentage of sales since the client is billed based on the actual time spent.

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3. The customer \_\_\_\_\_ your technician because they want to keep the bill as low as possible.

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4. Easy and low cost for you since your technician doesn't need a price book or any special \_\_\_\_\_.

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Cons

1. The customer is in \_\_\_\_\_ during the entire call.

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2. Customers \_\_\_\_\_ the tech's time.

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3. Technicians become \_\_\_\_\_ because they don't want the customer to be upset.

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4. As you become better, you actually earn \_\_\_\_\_ because you work faster.

Here is an example of this flaw highlighting what you would earn today and what you would earn after you improved tomorrow:

	<b>Today</b>			<b>Tomorrow</b>			
<u>Costs</u>		<u>Revenue</u>	<u>Costs</u>		<u>Revenue</u>		
Part	\$100	x 2	\$200	Part	\$100 x 2	\$200	
Labor	<u>\$100</u>	(2 hr.)	<u>\$200</u>	Labor	<u>\$100</u>	(1 hr.)	<u>\$100</u>
		\$400			\$300		

As you can see, you actually earn \$100 less tomorrow when you're working better and faster and providing improved service to the client.

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5. Your \_\_\_\_\_ tech will bring in the most revenue at the expense of your customers.

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6. Leaves a \_\_\_\_\_ impression.

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7. You need extremely good Client Care Representatives or CCR's because your \_\_\_\_\_ rate is right out in front from the beginning.

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8. Promotes \_\_\_\_\_ because the customer can easily compare your rates.

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9. Must \_\_\_\_\_ your prices to increase the tech's wages.

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10. If not uniformly applied, the consumer watchdog will \_\_\_\_\_.

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11. The challenges will \_\_\_\_\_ be there!

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**Pricing Strategy #2 - Flat Rate Pricing**

Pros

1. The challenges can be eliminated with routine \_\_\_\_\_.

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2. The better the tech, the \_\_\_\_\_ revenue they produce.

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3. Customers \_\_\_\_\_ it.

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4. It's \_\_\_\_\_ to reward the Super Tech.

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5. It's \_\_\_\_\_ for your competition to figure out your hourly rate.

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6. When implemented properly, your profit \_\_\_\_\_ dramatically.

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Cons

1. The customer is \_\_\_\_\_ of the price.

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2. An incompetent tech will end up \_\_\_\_\_ money.

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3. If it's not uniformly applied, the consumer watchdog will \_\_\_\_\_.

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4. It's \_\_\_\_\_ to maintain and start.

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5. Have to manage your technicians against their \_\_\_\_\_ time.

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6. 1000's of \_\_\_\_\_ to price out

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**Pricing Strategy #3 - StraightForward Pricing®**

StraightForward Pricing is the state of the art, patented pricing methodology you have exclusive access to as a member of Clockwork Home Services.

Pros

1. \_\_\_\_\_ the benefits of Flat Rate.

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2. Customer has “\_\_\_\_\_ of mind.”

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3. As a member of Clockwork Home Services, this pricing system is yours at \_\_\_\_\_ extra cost.

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4. It’s \_\_\_\_\_ for your technician.

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5. \_\_\_\_\_ to train.

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6. \_\_\_\_\_ suspicion from the homeowner.

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Those pros make StraightForward Pricing a win for customers, techs, and the company!

Cons

1. It Requires Training

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2. It Requires Management

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In addition, many contractors that have implemented StraightForward Pricing in their business have faced the following challenges before successfully implementing the program:

- Fear of change

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- Fear that customers and techs won't accept it

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- Don't feel good about large price increases

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- Don't want to work to make the necessary changes

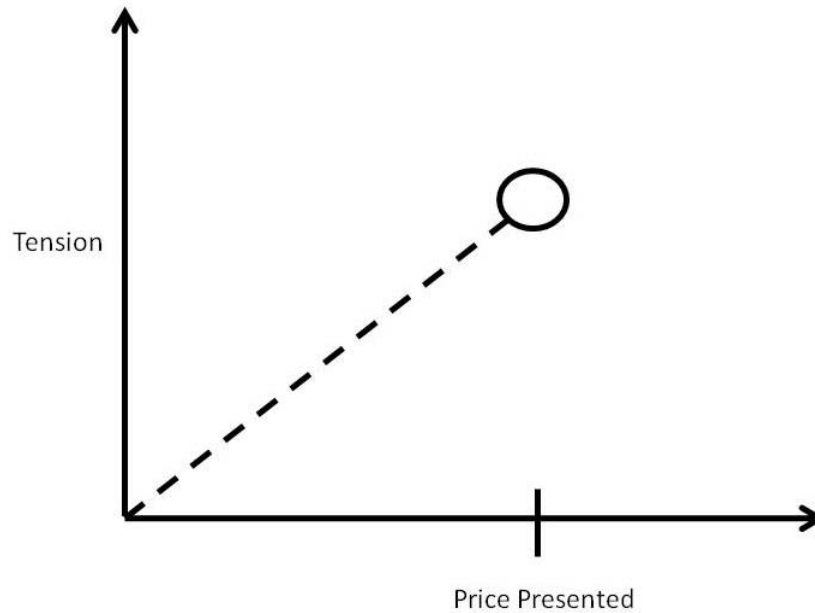
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## StraightForward Pricing and the *Advantage of Tension*

When your technician is in the client's home, there is tension. The homeowner is worried about what could be wrong and how much it is going to cost them. The technician is worried about presenting the price to the homeowner and not upsetting them.

Complete this graph to illustrate how time and material and flat rate pricing manage the tension:



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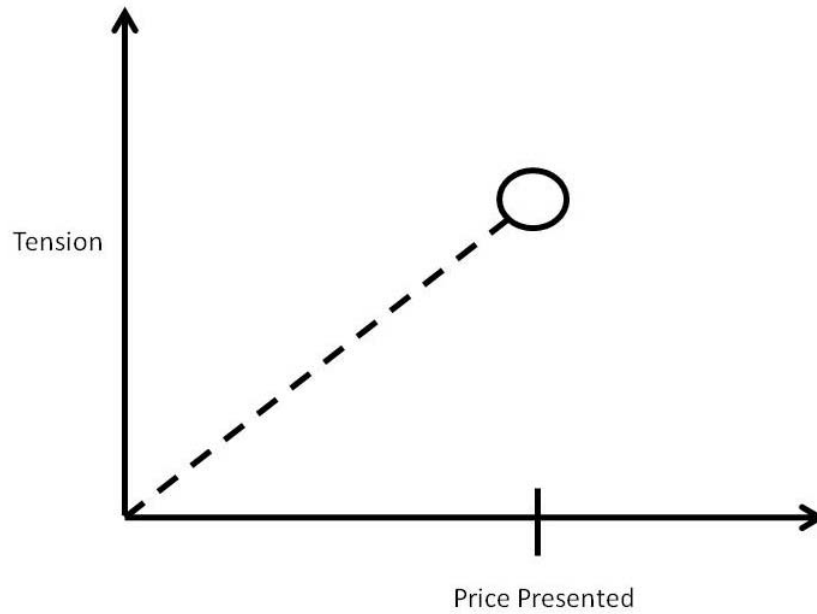
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Complete this graph to show how StraightForward Pricing manages this tension:



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That's a win- win for the client and the technician!

Overall, StraightForward Pricing is a superior pricing strategy and it's one you have exclusive access to through Clockwork Home Services.