

FUTURE FORWARD Webinar Event

Advisory, Analytics, & AI



SEPT. 24 & 25

Earn CPE



Radically Transform Your Pricing

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The Radical CPA

Evangelist for disruption,
tech and change

Top 100 Most Influential People
In the Accounting Profession

Author:

Radical Pricing:

How to Optimize Profits, Delight Customers,
and Build a Top-Value Firm

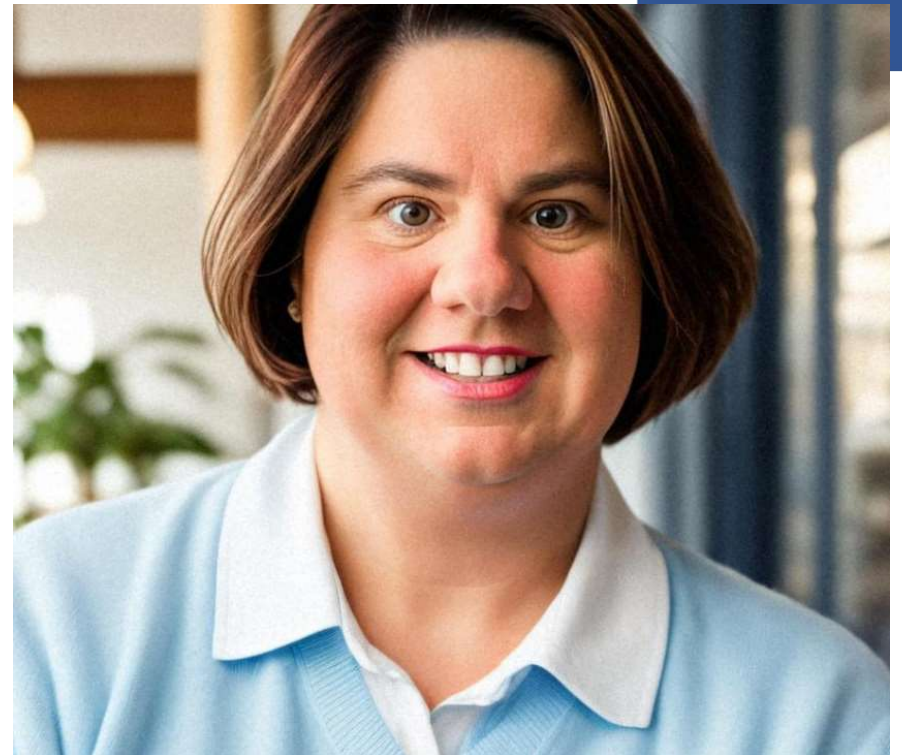
The Radical CPA:

New Rules for the Future-Ready Firm

From Success to Significance:

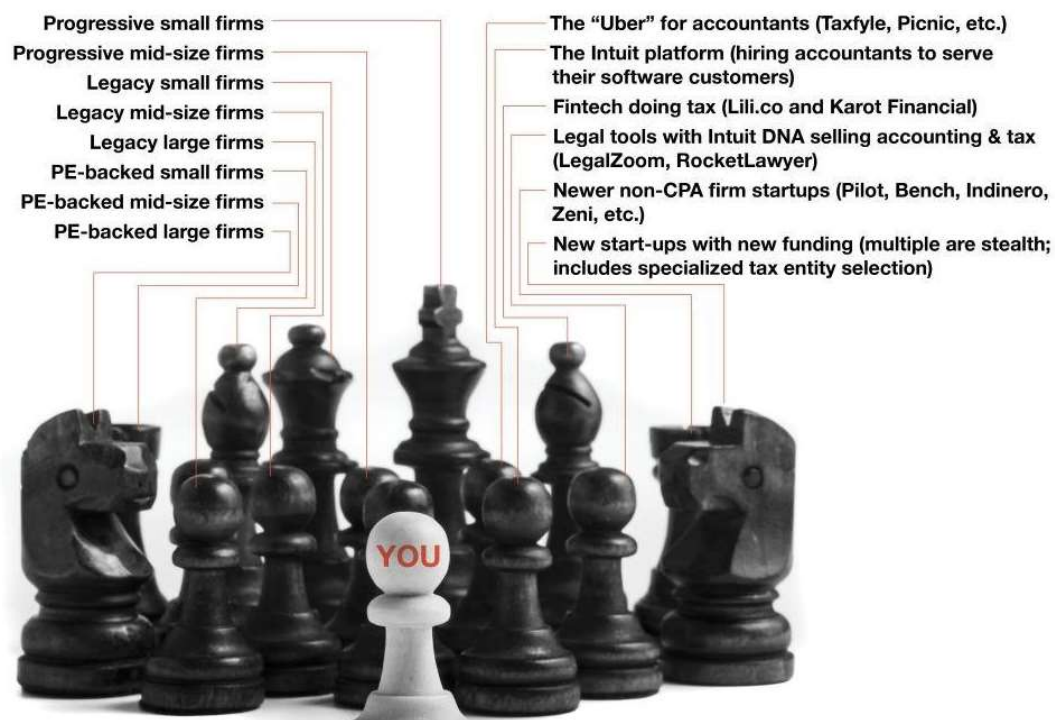
The Radical CPA Guide

Future Forward 2024



Insightful Accountant[®]

The Accounting and Tax Market Today



Future Forward 2024

Insightful Accountant[®]





**What it means to
be client centric**

The way we price has to change

- Technology does the grunt work
- Clients don't value compliance
- Advisory relies on knowledge, experience & relationships – can't be measured hourly
- Focus on client needs through conversation
- Brands have value



Pricing

what a customer will pay before work is begun.



Cost

labor and hard costs associated with serving the client.



Billing

after-the-fact bill for what was done.



**You can price
too low**



Price is based on worth

- What is the perceived value or market worth
- Easy for you does not diminish value
- Don't undervalue what you bring to the table
- It's not about what clients can afford unless you're a charity



Implement the \$25k rule

- Only value price engagements more than \$25,000
- Below that amount
 - Fixed-price
 - Fixed price with a value add
- Some small businesses value you but can't afford you.



Try a fixed price with value add

- Fixed price based on a conversation with client
- Ask questions and drop or raise fees accordingly
- Consider the PITA (pain in the a#%) factor
- Look at gross revenue as a risk factor
- Raise when there is higher perceived value



Productization puts the focus on value



Standardizing a service offering and making it repeatable

Organizes energy of the team around the client and their goals

Helps you find solid pricing strategies

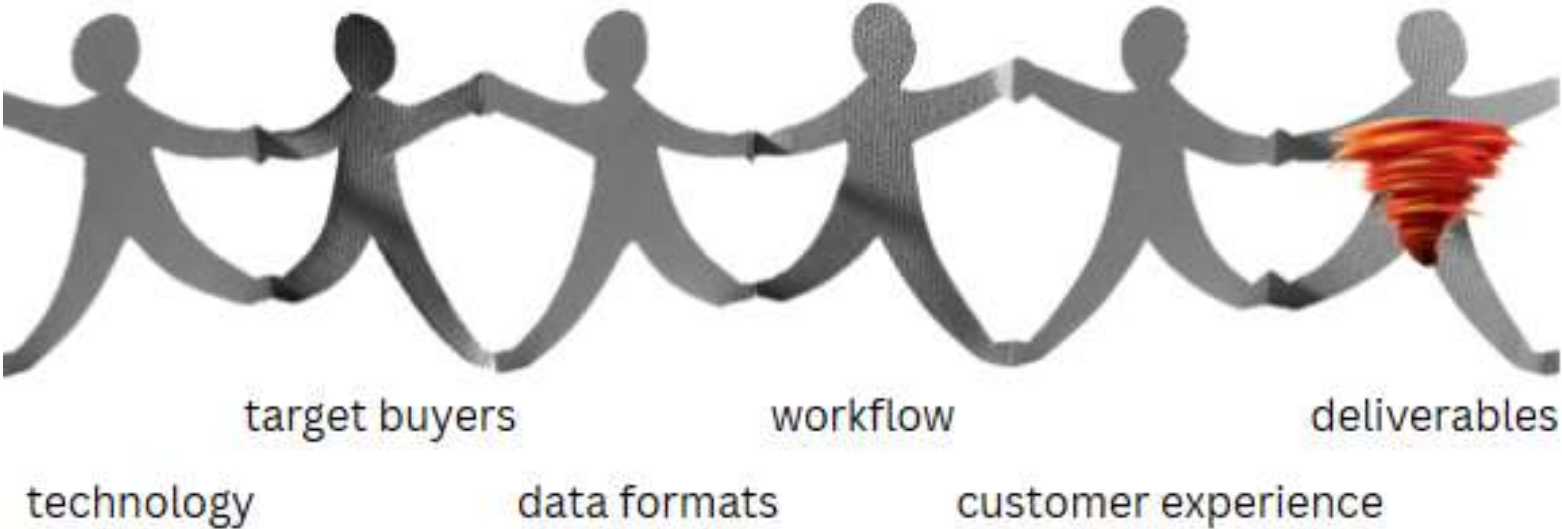
Shows what does and doesn't belong

Build around the needs of unique buyer personas

Clients won't leave; communicate and they will follow your lead

Consistency Not Chaos

Value pricing needs complete standardization



Conducting a client needs assessment

Be very clear about deliverables

- What you are doing
- What the client is doing

Address who is responsible for what

- Communication gets to alignment
- Standardize what you need

Sample Needs Assessment - Payroll

Determine the following:

- Number of employees and payroll runs
- Onboarding process (is this happening midyear?)
- Service level (who doing what, ie., pressing the button, client communication touchpoints)
- Alignment on deliverables

**Transaction number is
part of the equation,
not the equation**

Goals of the scoping process

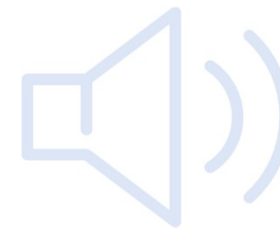
Identify your
firm's costs



Demonstrate
value so
clients are
receptive to
price



Make your
client feel
heard and
reinforce this
process is
about them



Costs still matter

- Costs show you the minimum price to be profitable
- Allocate high-cost resources wisely
- Have to cover standardized process, labor, tech stack, overhead and hard costs
- How you distribute labor has a bit impact on profit



When coming up with the price

Add a **20%** buffer to protect you
against pricing mistakes

- Let's you avoid asking new client for more money frequently
- Can be a hero and give client a few things without charging

**Add a clause that lets
you reevaluate scope
within 90 days**

Say no to a prospect when

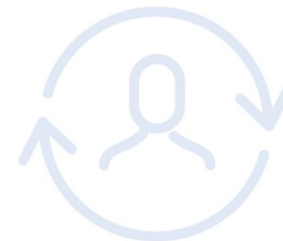
They don't fit
your firm



The
customer isn't
interested
in value



They won't
be able
to adhere
to your
operating
procedures



Why productization matters



It's how you achieve profitable, consistent pricing and growth

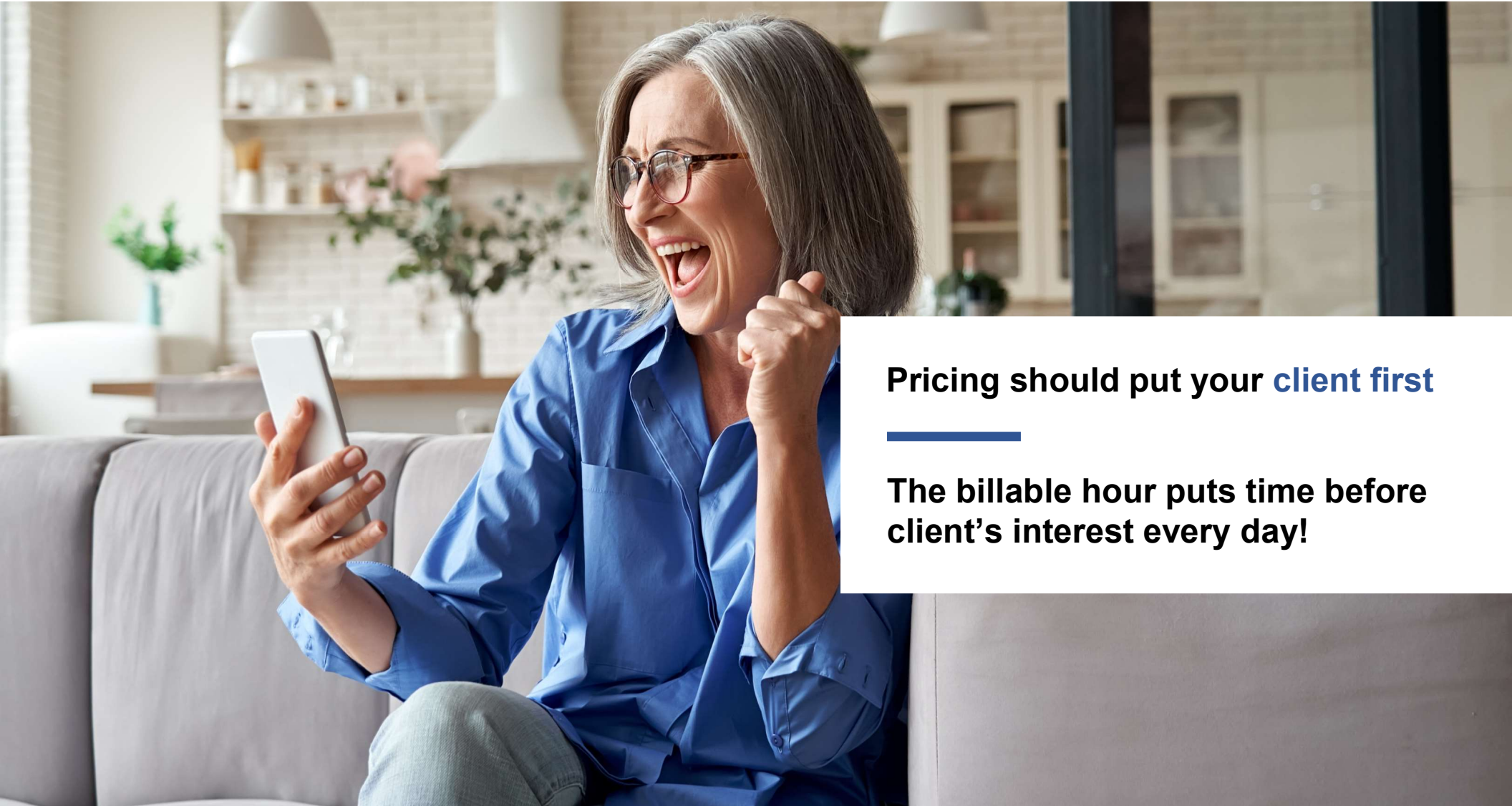
Tech is part of the deliverable

Everyone is aligned

Creates ideal products and packages that are easy to sell, use and apply

Mitigates scope creep and seep

You're selling an outcome



Pricing should put your **client first**

**The billable hour puts time before
client's interest every day!**

Be client-centric



A repeatable client experience

Build strong partnerships with the right clients

Encourage more communication with clients to drive proactivity

Make it all about the client

Find alignment between client needs and your services

Happy staff delight clients

Questions to help you measure success

- Are you profitable?
- Do your customers love you?
- Are your employees satisfied
- How are you doing on your KPIs?



Keep staff motivated to delight clients

- Staff retention is a top issue today so build a happier team
- Measure what matters
 - Proactive client engagement not realization
- Stop friction
 - Staff focuses on what you're tracking and not helping clients
 - Disconnect between technical work and client service
- Value the client conversations
- Timesheets and happy staff / delighted clients are mutually exclusive



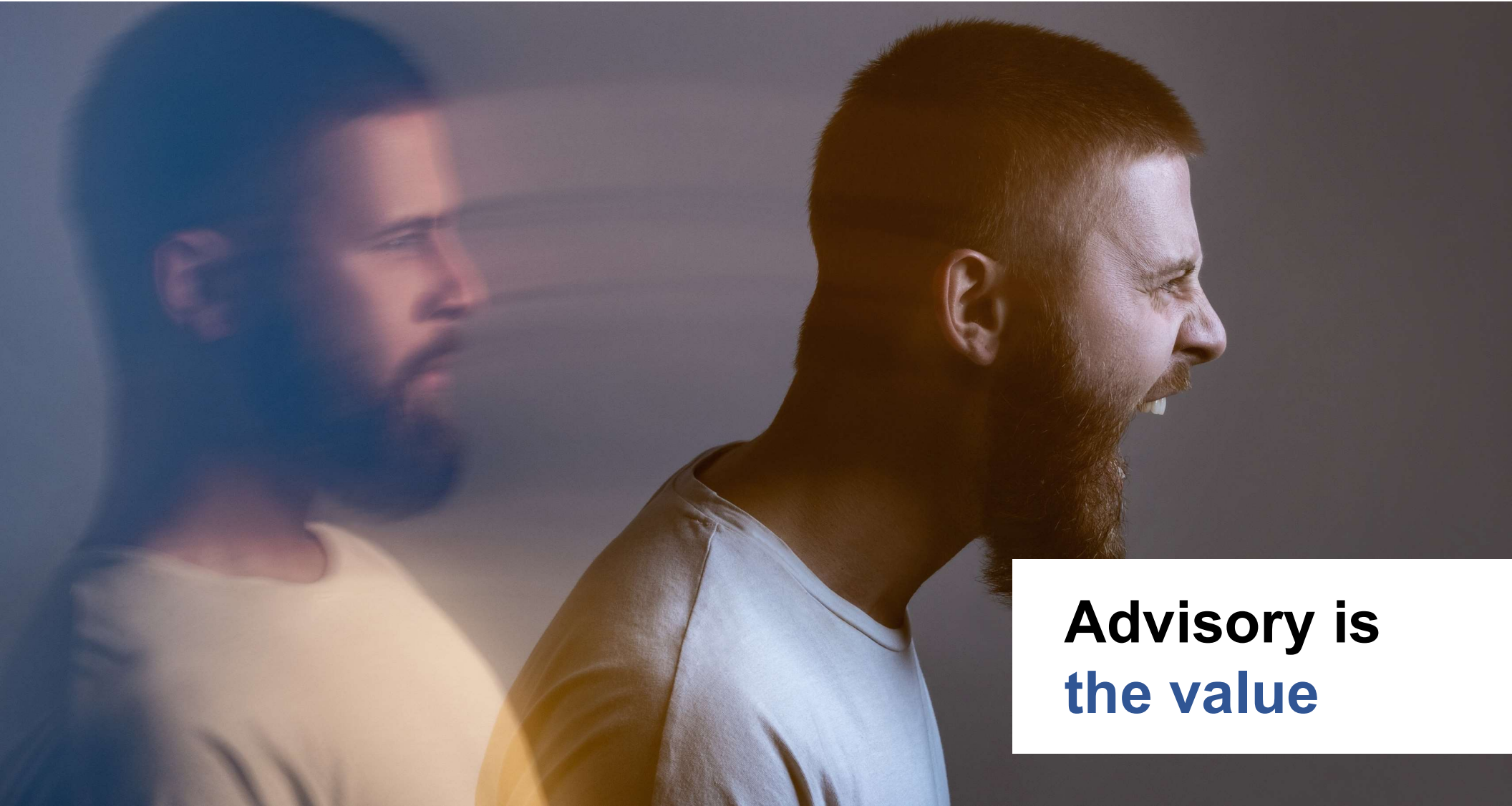
High-value work is what clients want

Utilize the education and experiences of the CPA

Those things that involve analyzing and interpreting data

Don't include with compliance

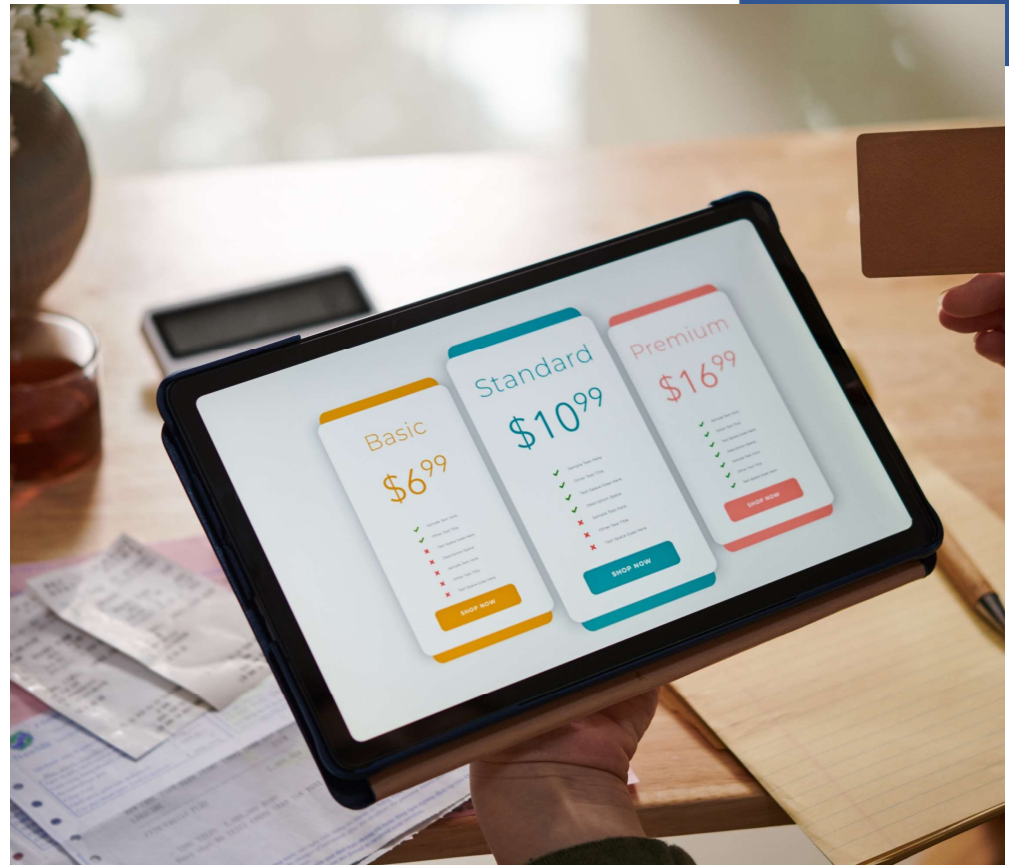
This is a pricing opportunity



**Advisory is
the value**

Value > hour: The value pricing trend

- Comfort with subscription model pricing
 - Netflix, Bill.com, Apple Music, etc.
- Automated solutions readily available
 - Dext, Bill.com, etc.
- Growing acceptance of value pricing in the field
 - Can lead to greater profitability



Traditional firms struggle with pricing

- Recreating the wheel is hard
- Billing rates are arbitrary
- Scope and service aren't defined upfront
 - Why scope when an hour is an hour
 - Minimal management of the job
 - Work is okay no matter how it comes in the door
 - No standardized processes so no idea what it will take
- Time is spent, measured and billed on activities with questionable value



A shift in the pricing model is disruptive

Billable hours will hit a profit ceiling

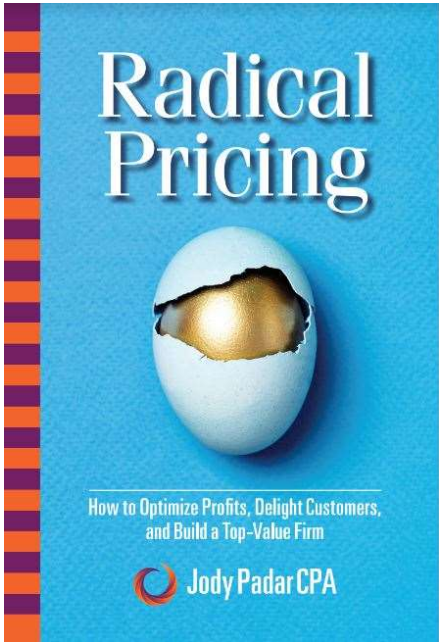
Hours don't account for
the automation lift

Advisory unlocks tremendous
profit potential

Know the client is right for you and
you are right for the job



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