



Profits Redefined {& Pricing Recreated}

PROFITS REDEFINED {AND PRICING RECREATED}

As you begin to reflect on your business and goals, inevitably profits will at some point will be your focus.

Yes, changing lives, helping people, creating meaningful programs, developing an extraordinary staff, and just enjoying people are all important aspects of your business. But without adequate profits, the opportunities to experience those other goals is less likely to occur.

So turning your focus to profits you will want to keep 4 words in mind to associate with your profits: recurring, steady, predictable, and growing. Keeping those kinds of profit consistently in place means those slower times of the year won't mean lower income.

Vacations, holidays, family commitments, work commitments, and life commitments all become potential barriers. There are ways to overcome them and that's where you are starting. Remedies for the barriers! Your emphasis will center around creating and selling packages. So you'll need to have a working concept of a package as a starting point.

Describe your idea of a package or types of packages. What benefits can you associate with your packages for your clients? For you?

PROFITS REDEFINED {AND PRICING RECREATED}

Read over the version of a package that this program advocates. Take a moment to really digest each component. Together they constitute a workable, profit-generating marketing tool.



Results Based: Your client will have expected results at the end of this package based on your predictions.



Time Based: The package is sold with a specific unit of time stated and all sessions must be completed by that date.



Schedule Based: Both the amount and time that client will attend is preset. No guess work. You will expect that client to meet “X” times per week at a set time.



Schedule Based: Based on your client’s needs, you have preset the services that you will be providing your client.



Contract: You will contract with monthly billing or paid in full. Your client has agreed to participate in your service(s) and pay a pre-set fee.

Note: Selling a pack of sessions, classes, or services does not equal a package. They do not provide recurring income. They do not set expectations. They do not encourage commitment.

LESSON ONE

Adopt a Foolproof Pricing Strategy

When it comes to pricing, most people are decidedly irrational with their decisions. They compare the advantages of one product over another product and estimate the value accordingly. So where should you start? By definition, foolproof means designed in a simple, strong manner as to not be misunderstood or mishandled. Exactly the route you want to take, simple and not to be misunderstood. It should be an easy procedure for the presenter and equally easy and understandable for the client. So you want foolproof to characterize your approach. The first step is to not let your perception of value become a stumbling block.

What is your current perception of the value of your services? The number one way to turn a troublesome perception in your favor is to determine how your business is going to meet your clients' needs and that may mean looking at things in a new and totally unique way. You may need to "spice things up a bit".

List the 5 main reasons a client would see value in your services.

1

2

3

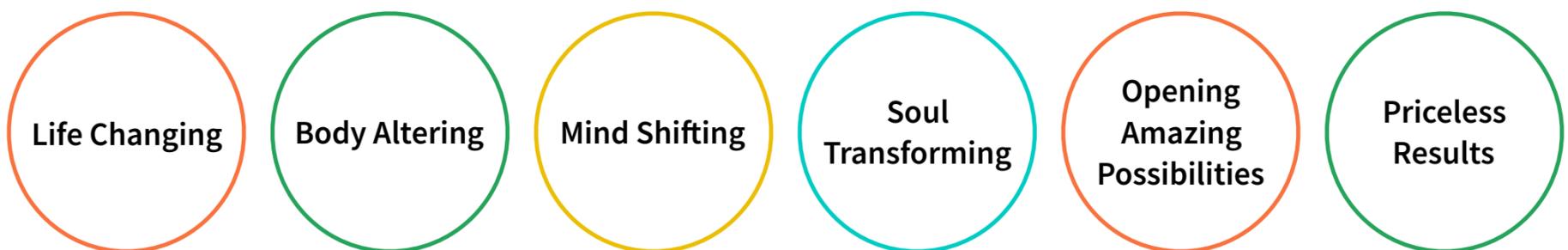
4

5

PROFITS REDEFINED {AND PRICING RECREATED}

How can you “bridge the gap” between where they are now and where your client wants to be? Is this a part of the process you now have in place?

In order to create packages and sell packages with ease, the package must meet your client’s needs and meet the 5 components of a package. You want your clients to associate the following with your offerings:



Can you currently say that any of the above are consistently associated with your services by your clients? If yes, keep it up! If not, read on. There are ways to make this possible.

And, you do not offer a cure-all for everything that a client deals with. You can offer services and secondary services that will help assist your client to reach realistic pre-set goals and expectations that can be life changing.

Highlighting how your personalized and expert service will benefit the client in ways that they may not have experienced and providing specifically targeted packages will be the factor that sets you apart from your competition. It will make your services valuable.

PROFITS REDEFINED {AND PRICING RECREATED}

Let's start with looking at some of the basics:

What do you consider your primary service(s) currently?

What are your best selling products in your high season(s)?

Are you primarily offering 1:1 or group settings? Estimate the % for each.

What are your best selling products in your low season(s)?

Do you offer any combination programs/services of 1:1 and group?

What are current short term programs? How effective do you think they are? (e.g. Workshops, Events, Challenges, Virtual Programs)

Do you offer ancillary services with 1:1 or group?

What ancillary services do you offer? How do you combine them with other services? (e.g. Meditation/ Restoration classes, Food/Nutrition Consultation, Postural Awareness Sessions, Webinars on Speciality Topics)

Do you consistently offer an intake to clients who purchase 1:1 and groups? If not, how are you identifying their real needs and expectations so that both you and your client are acknowledging them?

What do you identify as your complimentary services? How are they used? (e.g. Massage Therapy in a Studio or Medical Setting, Yoga in a Chiropractic Office, Virtual Pilates or Yoga Classes as part of a Coaching Practice)

What do your profits look like by the season? Participation levels?

Next comes the identifying the business needs that you will want to address! Diagnosis time!

1. Are you lacking sufficient recurring revenue?
2. What would you identify as the major 2 issues that you think to be addressed with your business?
3. Are you marketing and selling the right services at the right time during the year? To the right clientele?
4. Are you selling enough, but lacking profit margins that you need and want?
5. Do you target packages to specific client populations?
6. Are you having a difficult time holding clients accountable for compliance and consistent work towards their goals?

Now that you've gathered all of this information, it will serve as a foundation for deciding on new or modified programs. Maybe adding some diversity will be an option. The key is looking at new possibilities.

LESSON TWO

Part 1: Create A Value Anchor To Prevent Client Indecision

When presenting value options that involve a monetary factor, you don't want clients wavering or drifting. Provide the value anchor to assure a feeling of stability and security. Give them that "Yes, I have a way to determine value so I can feel secure in my selection" feeling.

In order to give your client clarified meaning of a good value, your pricing must provide an anchor, which I will also refer to as a baseline price. Think of this as your premiere option, the highest end, the most decadent way to initially enjoy your service. Whether it is a private session with you or an introductory package with added benefits, or the flexibility of several drop-in classes just to see what they're about, it is the option that makes them feel like it's been specially designed to meet their primary needs.

Think of an out of the ordinary, always wanted to scenario. Create that feeling for your client. They should feel like this is the beginning of a partnership that puts them first and gives them unexpected value. Remember as you create value for them, they are creating value for you.

What is your pricing anchor? Is this a single private with you? Or is this two weeks of group sessions, 6 small group sessions or a high end 6 week intensive?

LESSON TWO

Part 2: Introductory Packages

Although this is not a mandatory product it is well worth considering. Many businesses have a hook that not only draws people through the door but also allows them to become clients, potentially long term clients. Noting that in many studios there is no problem selling these packages, yet they report an extremely low retention rate for these same clients. This obviously defeats the purpose.

So with a goal of selling introductory packages and converting them into long term members you will need to look at pricing and commitment. These factors are covered if you follow these absolutes. So let's start designing a rough draft of an effective introductory package. Later you can address final details and modify as needed. For now, just get the process started.

TIMEFRAME/ EXPIRATION DATE - Never have an introductory package last more than 2 weeks. When your client comes to purchase an introductory package, they are motivated and at their best point for a sale. They need nurturing and this 2 week period offers an opportunity for upwards of 6 points of contact. And, automated contacts count. These efforts allow you to connect with this client and help you begin to build that crucial rapport.

PRICING - Consider a 25-30% discount. If you discount too much, your client may struggle with the actual cost. No sticker shock! Actually, a client may see similar rates if they eventually choose a 12 month commitment.

DON'T AUTOMATICALLY DEFAULT TO YOUR INTRODUCTORY PACKAGE. - Don't panic when pricing comes up. You are trying to determine the best fit for their needs. Your introductory package is just a tool, an effective tool, that helps turn your client into a potential long term client. Use it to convert into a bigger package, a down payment on on a bigger package, converted into extra sessions that can be added onto a larger package, or a gift for someone special in their life to join them for 2 weeks.

THE INTAKE PROCESS - In order to make this work for you, the intake process is a necessary step if you want conversion. Needs, expectations, overcoming potential obstacles, clearing up "grey areas", all can be covered.

As a final thought, without follow-up the introductory package may not be a good choice. Decide if follow-up is something that you can effectively put and keep in place. Disclaimer: While I'm including these two pages in this workbook, we'll spend all of the next module on your Introductory Packages. Save this until you've watched those trainings.

PROFITS REDEFINED {AND PRICING RECREATED}

Take the time to develop a rough draft of an introductory package that you may want to fully develop in the future. Include:

1. What will it cover or include?
2. What will your discount rate be?
3. What will your intake include and how long will it take? Will it identify their underlying motivation and needs?
4. How will staff be involved, utilized, challenged?
5. How will you present the timeframe and pricing?
6. What modifications will you offer? Commit to a membership, use this as a 2 week gift for someone. Commit to a bigger package and use this as a down payment. Commit to a larger package and use this as added sessions. Create your own ideas and have them available if appropriate.
7. Identify any stumbling blocks or potential barriers to be better prepared.

LESSON THREE

Part 1: Packages & Memberships

In an organized and easily understood format, lay out your current prices. List each of your current pricing packages. Include individual sessions, discounted groups of sessions, group rate pricing, and any combined services packages. These selections each represent profit bases for you. Be creative yet keep it simple. The key is determining your profit threshold for each in order to maximize your profits. With that in mind, consider the following.

What is your profit threshold for these sessions?

You'll need to factor in your marketing, commission, labor, and any other items that contribute to your cost of providing this service. Exclude your major base operating expenses.

In the cost spread of your current market, where are your prices?

Would you take less or more than these prices if you have recurring income guaranteed on these products on a monthly basis?

When was the last time you raised your prices?

How can you add strong value or an additional product bonus and raise your overall prices?

What is the \$ value of this add on?

LESSON THREE

Part 2: Building Short Term Programs

Short Term Package options must be a part of your business offerings. Yes, they are not recurring revenue packages and they are not your first option, but they will meet the unusual needs of some clients. These clients may temporarily be in need of short term options and later transfer to long term packages based on their confidence that you do find solutions for your clients. They may also become referral bases. People appreciate your understanding of their unique needs and circumstances. Think of the client who will only be in town for a limited time and those who will consistently find ways to fit a short term option into their varied and hectic schedules, but will never feel comfortable with a long term commitment. These short term programs can be utilized to fill in the gap during quiet months, greatly increase your client usage and attendance rates, can be a viable answer for seasonal problems, and can showcase your commitment to meet each client's needs.

Overall, they are typically used only as a part of the overall marketing and revenue calendar. Short term programs can vary in populations targeted and designated purpose, but they will all follow an established framework. There should not be any deviations from this framework.

Here's your 5 point framework.

- 1 YOU NEED A TARGETED AUDIENCE** - Appealing to your targeted population will direct your marketing efforts. Think of precise segments of your local population such as brides, athletes, teachers. Think of your existing client list. Possibly create existing clientele with non-clientele teams. Once you've selected the population, identify a meaningful purpose for your program such as health recovery, weight loss, injury prevention, or sports training.
- 2 TIMEFRAME SHOULD BE NO MORE THAN 12 WEEKS** - You want your client to be able to test the waters and build a new habit at the same time. For the record, do not discount 7 and 14 day programs that are highly structured and designed to jumpstart a client. Seeing results will be motivating enough.
- 3 IT SHOULD BE HIGHLY STRUCTURED** - You are building habits as they meet with you a specific number of times per week. Whether one on one or group, the key is the organization and consistency.
- 4 IT MUST BE A RESULTS DRIVEN PROGRAM** - Identify what this targeted population wants. It could be pain free or pain reduced in 90 days, finally losing the weight, ramping up for peak performance, reducing stress, or just feeling their best possible self. This is the foundation for your marketing. Remember clients are much more likely to engage in and buy a program with a specific focus/result in mind.
- 5 SHORT TERM PROGRAMS SHOULD END WITH A REASON TO COMMIT TO LONG TERM PROGRAMS** - Remember the main purpose of these programs are to guide your client into a long term commitment. With the exception of students returning to college, you will want to end with a 3 day long special or a day long sale giving them an opportunity for a long term commitment.

PROFITS REDEFINED {AND PRICING RECREATED}

Short Term Packages fit unique needs and have unique guidelines. The two main factors in developing these options is cost, higher due to the customizing feature and strict expiration dates, again based on the fact that you are working to meet their specific needs.

As a quick overview, look at the examples below and then enter your intended specifics based on your business. Obviously, you can modify these numbers as time goes on. Before you start, if you fall into the category of currently offering Short Term Packages that neither meet this pricing or expiration criteria, you will enter your desired offerings as well as a plan to move from where you are to where you need to be. So in the Revision Section following each, enter a start date for all new clients and an established date to change the criteria for new offerings to existing clients. You can have a date to go from your current starting point to desired point or you can make your changes in stages to gradually acclimate your clients. Remember, any expiration dates over 3 months will see an increase in requests for extensions.

Privates

SUGGESTED

AMOUNT	TIMELINE	COST	APPEAL TO CLIENT
5 pk option	6-8 weeks	Split anchor pricing, e.g. 80 and shortest term membership option, e.g. \$70. \$75 (\$73-\$76 if desired)	Needs a jumpstart Wants a trial run Short term residency

YOUR BUSINESS

You may have a second offering if desired.

AMOUNT	TIMELINE	COST	APPEAL TO CLIENT

REVISION

AMOUNT	TIMELINE	COST	APPEAL TO CLIENT

REVISION

AMOUNT	TIMELINE	COST	APPEAL TO CLIENT

PROFITS REDEFINED {AND PRICING RECREATED}

Privates

Again, you may want a second option.

SUGGESTED

AMOUNT	TIMELINE	COST	APPEAL TO CLIENT
10 pk	8-12 weeks	Average Anchor Price and shortest term membership option price	Introductory Meets seasonal needs

YOUR BUSINESS

AMOUNT	TIMELINE	COST	APPEAL TO CLIENT

REVISION

AMOUNT	TIMELINE	COST	APPEAL TO CLIENT

REVISION

AMOUNT	TIMELINE	COST	APPEAL TO CLIENT

Now it's your turn.

You are going to create a short term package as a guide and a foundation for a short term program that you will eventually offer. 

PROFITS REDEFINED {AND PRICING RECREATED}

First you will need to decide the purpose of this short term package for your business. List 2 ways this program will enhance your business and revenue.

How will it be structured? One on One, Group, Combination? Who will they meet with and how often? How is this being set up with the client?

Based on this, what will be your targeted population? How will you market to them to organize and sell your program?

Are there any potential obstacles you foresee? How will they be handled?

What will be the length your timeframe? What dates are you considering? How far in advance do you need to begin marketing this program? Will the revenue generated fall in the desired time period?

How will you handle the end of the program? Will you meet with each participant individually? What offer will be given to the client to encourage a longer term commitment? How will you evaluate the overall success of the program in terms of client satisfaction and in terms of increased, timely revenue.

What is the main purpose of this short term program? What will the targeted audience be addressing? Does this meet the desired needs of this population? How do you know? Is it measurable and realistic in the given timeframe?

What suggestions will you make to modify this program for future use? How and where will you record this information for future reference?

Final Thoughts

There will always be those few that will push their desire for an extension. Typically, you will use a standard answer for everyone. The following example was given in this program and is often used:

“I completely understand where you are coming from. Unfortunately, out of respect to all the clients who do abide by the expiration dates and the discounts we provide when we sell them, we’re simply unable to extend them.”

Your thoughts and ideas:

Your standard reply:

Note: The one exception that may arise that you should be familiar with is known as the Soul Cycle “gift card” lawsuit. While you can certainly seek legal advice, and this is not meant to be legal advice, based on this lawsuit, if a client states that they are basing their claim on the gift card lawsuit, most businesses choose to either refund their money or offer an extension. As mentioned earlier in this program, there are only two instances of this that we are aware of and both clients were attorneys. You just want to be prepared for all possible scenarios.

LESSON FOUR

Part 1: The Family Discount Conundrum

Confusing and difficult scenarios occur as Family Discount pricing is introduced. There will always be yet another scenario to deal with. Don't fall prey to this conundrum. It will ultimately be a time consuming, energy draining offering. Streamline and eliminate the headaches.

Already there? Consider options. Stop offering a family discount as soon as possible. Next, begin the phase out stage. Then take a deep breath and give yourself a pat on the back. You'll now have time to put your energy into more meaningful, profitable endeavors.

Do you currently offer a family discount?

By what date will you phase out the family discount?

LESSON FOUR

Part 2: Utilizing Ancillary Services, Upsells, Bonuses, and Business Enhancements to Overcome Objections

This is your opportunity to go beyond the standard packages, to get creative and provide services that will take your clients' experiences to new heights. Ecstatic, Fantastic, Beyond Expectations, Over the Top!! Your clients always feel that they receive top quality services, but this adds that special extra touch. It also serves as a means of overcoming objections and reframing them into opportunities. Your products and services will provide solutions even to the clients who can't initially see them. This adds up to happy clients and increased revenue.

There are 4 areas that you will work to incorporate into your services that are referred to as your value hooks. Each one enhances your clients' options and becomes a resource for added sales.

LET'S QUICKLY REVIEW THE 4 VALUE HOOKS.

Ancillary Services

These are services that compliment your clients' needs and have a low cost point that can even be added to a recurring revenue package. They should be desirable to clients and cost friendly to you. Anything over \$100 should be an upsell as opposed to an ancillary service. They do not have to be standard offerings, but they add to your client's experience increasing value. Often they are the factor that makes a client say "yes" to upping their monthly commitment and payment.

Examples of Ancillary Services to consider:

VIP Enrollment - Clients have the ability to enroll in advance of others in activities.

Diet Log Check-Ins - Food log reviews for added accountability and encouragement

Monthly Wellness Service - Add on a consultation, a massage, a chiropractic service, a functional medicine service or any other service you can offer

Monthly Classes or Workshops - Restorative Yoga, Mind-Body Services, Mindfulness Class, Nutrition Class, or any other option you feel would be desirable to your population

Upsells

These are one time or limited time specials that speak to a specific need. This is anything that you can offer your clients at point of sale or during seasonal times as a one-time purchase. You start with your assessments and then determine an added option that would benefit the client. Added value for them and added revenue for you. These should work toward assuring your clients of meeting their goals and maintaining them.

PROFITS REDEFINED {AND PRICING RECREATED}

Examples of Upsells to review:

- If clients typically do **group classes**, offer a one-time purchase of 3 privates for services designed specifically for them. (Price of \$199-299 if private rate is normally \$75-125)
- If **weight loss** is the goal, offer a 6 week nutrition program to help jumpstart their results. (Price according to intensity - \$299-999)
- For the many clients that **struggle with stress**, offer a 4 week meditation series, yin yoga, a restorative yoga series (Prices will range from \$29-99 depending on series selected)
- **Workshops** - Offer events that dive into specific problems or areas of growth. Use this to introduce clients to new instructors or methodologies or to expand their knowledge and experiences in newer techniques. Note: Survey clients and be selective in your choices. They must make sense money-wise. Consider member and non-member pricing. Workshops can add clients, add retention and long-term packages, or provide a foundation for future sales. If you break even on the front end, you will want to be sure that you can make the profit on the backend.

Bonuses

These are one time bonus services offered at the end of a package or at a select time of the year. This could include workshops and trainings, field trips, products, and educational materials.

Consider this scenario. You are presenting a 12 month membership. You have identified the client's needs and goals. You reassure the client that this 12 month experience will be extraordinary. Then you share with them that they will see even faster results with "insert a specific need" if they come to the monthly workshop that will address this need. And, you inform them that they can get this added feature at no extra cost because the usual \$50.00 workshop fee is waived with a 12 month membership. Value for them. Value for you.

Business Enhancements

These are automatic payments that occur 1-2 x annually from your clients in 3-12 month agreements. They are used to enhance services and experiences that the client enjoy. These enhancements can range from \$10.00 to \$50.00 and typically take place in March and October. Clients have agreed to this with their primary membership and receive a reminder one month in advance. They can be given a list of choices to vote on if desired.

Now it's your turn.

Now that the review is over, it's your turn. Let's start with the ancillary services. 

PROFITS REDEFINED {AND PRICING RECREATED}

What ancillary services can you provide in house without outsourcing?

Jot down ideas for implementation. Include who, when, where, and how

Go back and look at your list. Is a staff member going to be utilized? Will it be virtual offering? Will it be a hand-out? Do you have someone you know in the community that will be utilized? Will there be a charge?

Have someone you trust read over your ideas for the purpose of finetuning. Does your logic seem solid to them? What question(s) do they have about the purpose, procedure, or benefits? Is there an obvious value for the client?

Why would someone consider this valuable? Go back to your list and evaluate each one individually.

Make a final decision to implement. Review date to begin. Is any revision needed? Is there sufficient structure in place or are there areas that need to be more specific?

How could it enhance your services? The client experience?

How long following implementation will you review to determine how worthwhile this has been?

Select one and set a date to implement in some manner.

List 2 examples of bonuses that you think would have benefit for your business.

1.

2.

How reasonable will it be to consider offering these?

What would it take to put these in place?

List 2 examples of a realistic upsell in your business.

1.

2.

What benefits do you see occurring from this?

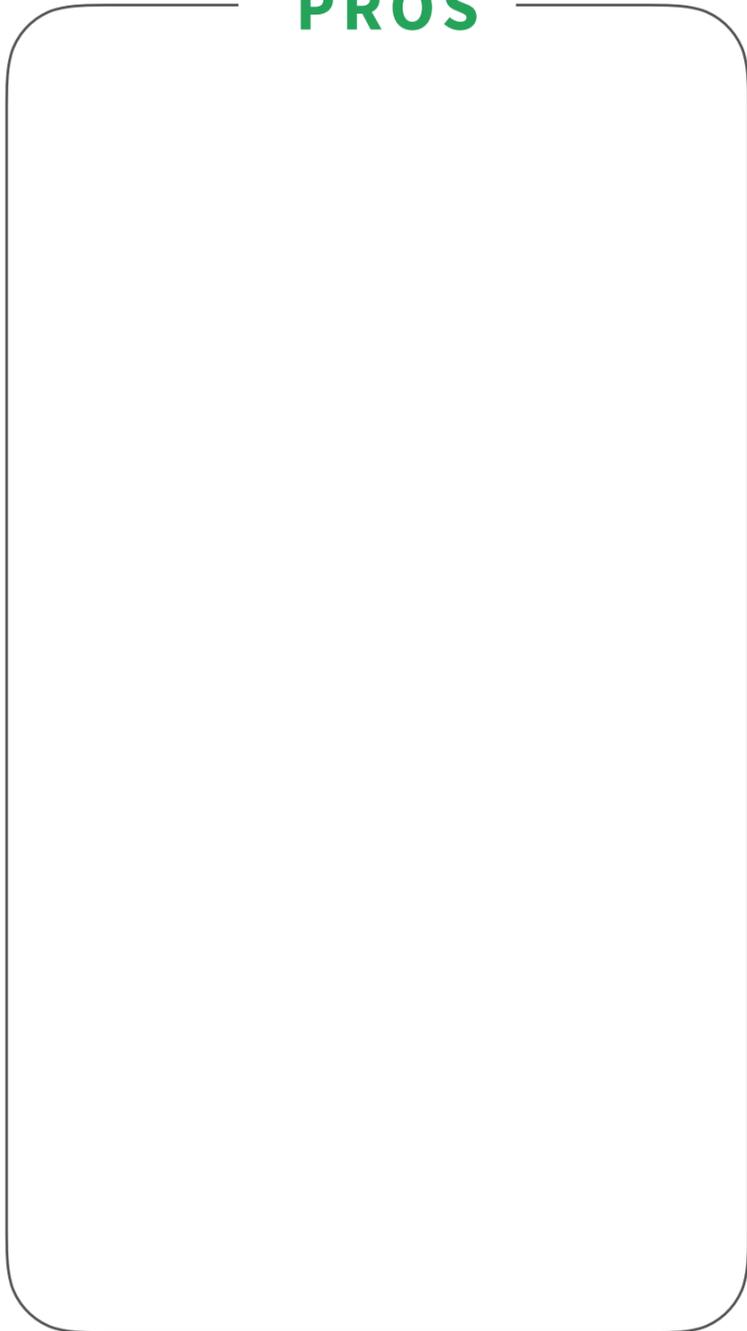
How can you easily add these to your current offerings so that you and your staff utilize them?

Keep a journal or notebook for added ideas in this area to use in the future.

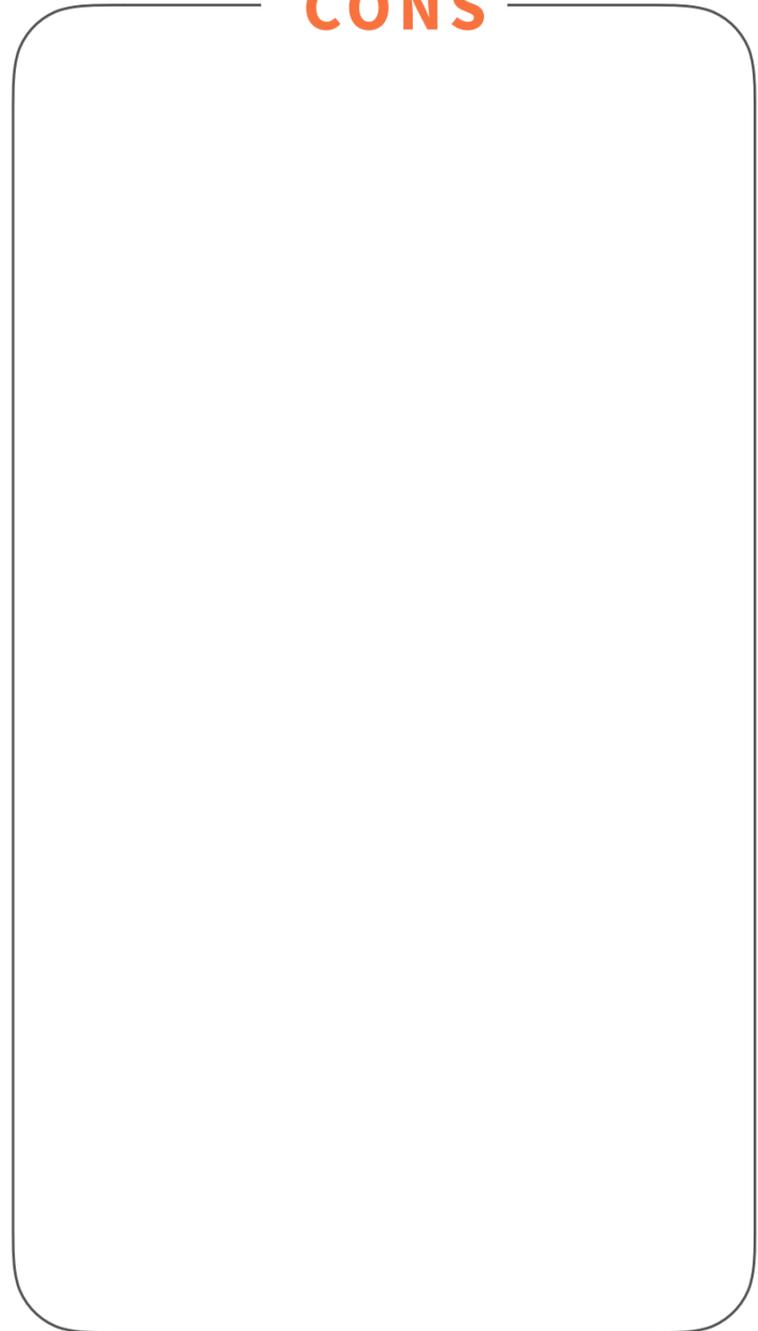
PROFITS REDEFINED {AND PRICING RECREATED}

Would business enhancements be a reasonable addition to your future primary agreements? Give the pros and cons.

PROS



CONS



LESSON FIVE

Part 1: Package and Profits Threshold

Consider how busy one's schedule can become. Some days it feels like there is only time for the immediate needs. And some days, not even that much time. But keeping in mind that your goal is to provide quality service, make a profit, and have a life, you may want to look at where you spend the majority of your time.

Profits are wanted and needed. They are necessary. But, remember, you want to maximize the profits while streamlining your efforts. If you are too worn out to enjoy your profits, this may be your wakeup call.

For some, focusing on the quality of service is an easy task. Obviously, quality service is needed, but the focus on profits is also needed. You must have the knowledge of where your profits are being generated and the profit amounts of those areas. Once you identify profits after cost factors, and energy factors, you will have an accurate big picture.

Take a moment to look at your current main package offerings. (Note: The procedure you will use here can also be used to evaluate new packages you are developing.) As you work through these, consider what your main packages would ideally look like. Start by checking off the existing main packages that you offer:

PRIVATE _____	WELLNESS SERVICES _____
SMALL GROUP _____	MOVEMENT SERVICES _____
GROUP _____	COMBINATION WELLNESS/MOVEMENT _____
INTRODUCTORY _____	
COMPLIMENTARY _____	OTHER (IDENTIFY) _____

*Go back and put an * by each that you hope to add or at least evaluate for adding.*

You are going to take a moment to look more closely at the profit threshold. It is imperative that you identify the profit threshold of each. This will insure your desired profits. Remember, you can be continuously busy and not making the profits you should be making. In addition, a Google Drive Pie Chart with three categories, Profit Margins, Employee Costs, and Base Operating and Other Costs, can help you visually see your profit threshold.

PROFITS REDEFINED {AND PRICING RECREATED}

STEP 1

Look at employee cost versus profit margin.

For each area follow this guideline:

EMPLOYEE COSTS / TOTAL NUMBER OF SESSIONS = X PER SESSION

\$5200.00 /100 sessions = \$52.00 per session

EARNINGS / TOTAL NUMBER OF SESSIONS = X PER SESSION

\$10,000.00 /100 sessions = \$100.00 per session

That would then mean that your employee costs were at 52% leaving 48% left to be divided by Profit Margin and Base Operating Costs.

OPTION 1 Adjusting employee costs may be necessary and appropriate, e.g. change in compensation scale for employees or change in number of employees needed.

OPTION 2 Adjusting your pricing. It may require a higher price tag.

Eventually this will be done in all areas. For now pick 2 of your current package offers. Complete the following:

Package 1

EMPLOYEE COSTS _____
TOTAL NUMBER OF SESSIONS _____
EMPLOYEE COST PER SESSION _____

EARNINGS _____
TOTAL NUMBER OF SESSIONS _____
PROFIT PER SESSION LESS EMPLOYEE COSTS _____

Package 2

EMPLOYEE COSTS _____
TOTAL NUMBER OF SESSIONS _____
EMPLOYEE COST PER SESSION _____

EARNINGS _____
TOTAL NUMBER OF SESSIONS _____
PROFIT PER SESSION LESS EMPLOYEE COSTS _____

What is your employee percentage cost for each?

Does this need to be revised?

What steps will you take to revise? Include dates to start and timeline.

STEP 2

Factor in your Operating and Other Costs

Look at options for lowering any base costs without sacrificing the quality of your services.

Estimate your Operating and Other Costs that directly relate to this package. It will be an estimate only. In time you may have more specifics to add.

STEP 3

Look at your past month or quarter.

Identify as accurately as possible your Base Operating and Other Costs, Employee Cost, and Profit Margin. Create your Google Drive Pie Chart. Ideally you should be at approximately:



Create Your Google Drive Pie Chart

STEP 4

Evaluate

Based on your current Pie Chart, is it balanced with a 30% or higher Profit Margin? If yes, you will be looking for minor adjustments. If not, you will need to establish the problem areas.

Are you where you need to be?

What adjustments do you think would make a positive difference?

What would you like your percentages to be?

Are your desired percentages realistic? If so, is an immediate fix possible? What would that look like?

Will the needed changes have to occur in stages? Explain.

List any steps that you can take to begin these changes.

STEP 5

Address the area of Employee Costs. Look at your numbers.

What changes could you implement?

How would those changes affect your percentages?

STEP 6

Are there any Base Operating and Other Costs that are glaringly high.?

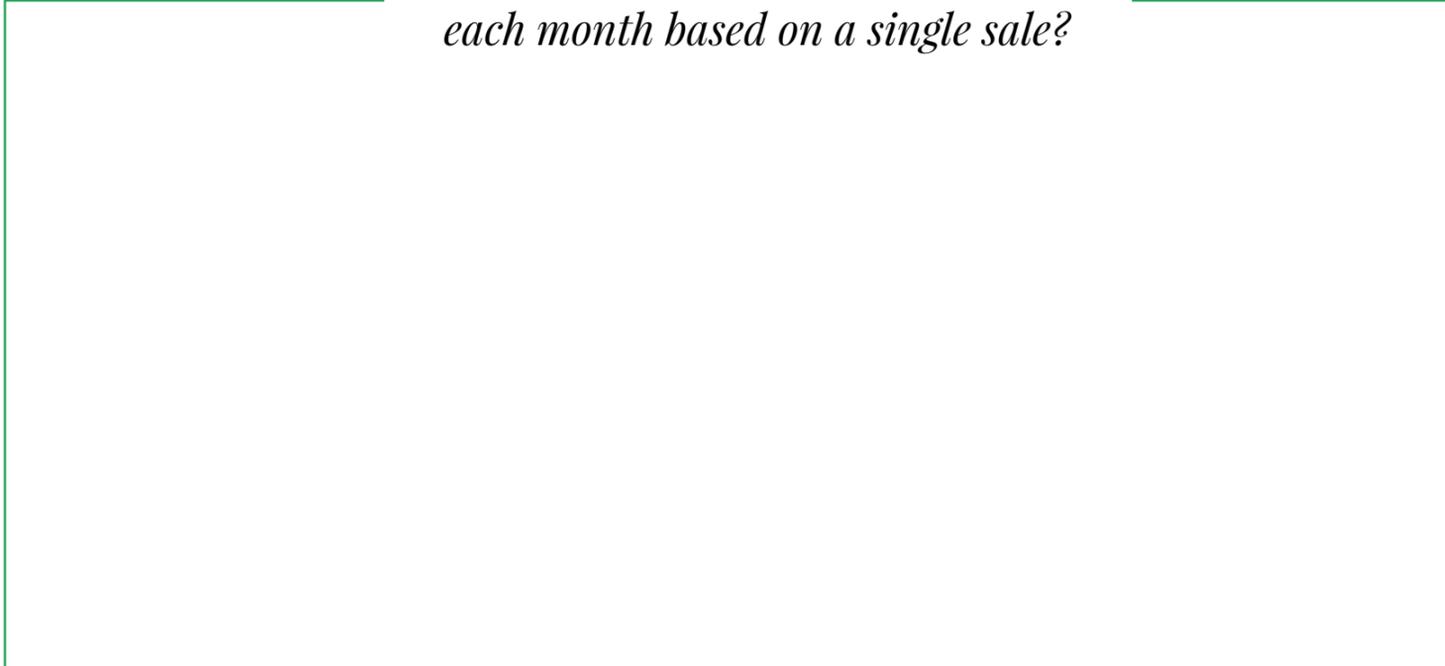
Can they be addressed in any way at this time? If so, how?

If not now, when could these costs be addressed?

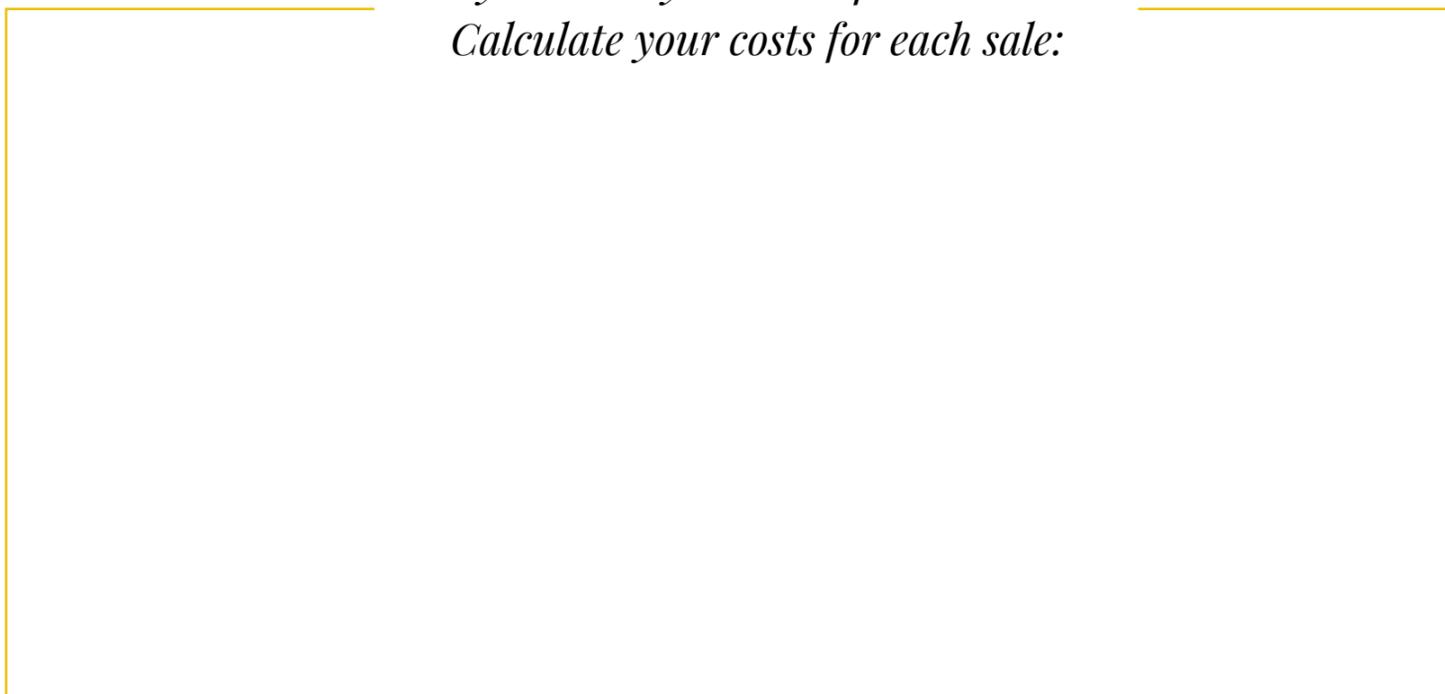
As you develop packages, you may want to keep a copy of the following as an overview for each package.

PROFITS REDEFINED {AND PRICING RECREATED}

How much will each package bring in each month based on a single sale?



*Do you know your costs for each sale?
Calculate your costs for each sale:*



- Remember to include employee pay and/or labor costs. Be sure to include your pay if you are practitioner.
- Determine your marketing costs based on the average cost per new client.
- Add in CC Fees and Processing Fees
- Don't forget any products you provide any addition to your service. Their cost will add up.

PROFITS REDEFINED {AND PRICING RECREATED}

*Are there any additional areas that produce income?
If so calculate costs to determine the profits*

You have the ability to determine your profits by gaining the knowledge about areas that can lower your profits and areas that can raise your profits.

Research your current profits and establish packages that will translate into your needed and desired profits. You must establish the facts before you embark on the journey. This foundation provides stability and security and allows you to explore your possibilities and turn them into realities.

LESSON FIVE

Part 2: Recurring Revenue Revolution

You are now ready to take a look at the recurring revenue trend - The Recurring Revenue Revolution! Let the word recurring sink in. Now pair it with revenue.

Focus for a moment on the words recurring revenue trend. What do you think of when recurring revenue is mentioned? List your ideas.

How would recurring monthly income sources be beneficial to you? To your clients?

How would recurring revenue simplify your life? How would it take the pressure off of you?

Obviously, for you, it is a base income that is predictable and consistent based on your package sales. And, hopefully you identified the main benefits for your clients - discounts and a meaningful commitment to stay focused with an improved chance of meeting their goals. So you win and your client wins!

Now to the development of effective and profitable revenue packages. There are multiple types of packages that can be created to meet a myriad of needs. Yet they all share some basics. These basics assure that they will be seen as valuable and they will be a source of added revenue. Focus on four key areas when building your packages.

#1

COMMITMENT TIMES

Expiration dates are a requirement. They should be a reasonable length of time and enforced. A package is completed when all services have been utilized or the expiration date arrives. At the end of this section, several hints will be given to help you through unusual situations.

Establish a range that fits locale and your client population. Consider seasonal factors or time factors.

Describe any characteristics of your locale that may impact length of commitment times.

Are there any population characteristics that you need to take into account?

Are there any seasonal factors to be considered?

Three Main Commitment Times



Based on your evaluation of your specifics, list the advantages and/or disadvantages of the most common commitment times.

	ADVANTAGES	DISADVANTAGES
<i>Short:</i>		
<i>Mid:</i>		
<i>Long:</i>		

PROFITS REDEFINED {AND PRICING RECREATED}

Remember that you don't want too many options presented to an individual client, but you want options available for you to use when those unique clients come through the door. Well thought out options are powerful tools.

For planning purposes, base your programs off of a 48 week year to allow for a few days built in for add-ons, make-ups, extra sessions. Think of each month as a 4 week time period. So typically your private or small group packages would look like this:



For large groups:



Unlimited Packages:



Suggestions for those unusual situations:

- For a long term client with a difficult schedule, considering extending expiration dates by one month or look at shorter term packages.
- If necessary, allow a client to freeze their package, typically 1 week for a 3 month contract, 2 weeks for a 6 month contract, and 1 month for a contract exceeding the 6 month mark. This handles the question of surgery, injury, or illness.
- There should be contingencies for cancellation, but you will need to be firm with these. Consider the following:
 - A move that is a specified distance away from your facility with proof of a new address
 - A military deployment
 - A medical disability with a letter from a doctor
 - A loss of life
- You can offer unlimited features to a package giving the client the freedom to attend as many or as few of the sessions/classes as they desire. You will want to mark these up 15% to 20% over the base package price.

#2

SESSION SIZES

For this you will be considering what your clients needs and goals are most likely going to be. Individual sessions meet different needs than small group sessions, and the same holds true for large group sessions. Thinking of your population, brainstorm a bit.

Individual

For whom and when are individual sessions most desirable in your business?

How will session pricing and staff needs be addressed?

Note: Maintain your single session package and a package of sessions, usually 5, to act as your anchor. The single session package is never discounted and serves as a comparison of value.

Small Group

In your setting, what is the number range for a small group?

What areas would this be most appropriate for?

What are the advantages for your clients? For you?

Are there any logistics to be addressed?

Large Group

What is the max number of participants that your facility can accommodate in your facility?

What types of activities would be most suitable for large group sessions in your facility?

What part of your client population would find this to be most appealing and effective?

#3

PACKAGE PRICING AND DISCOUNT SAVINGS

Selecting and designing the package is of utmost importance, but pricing it correctly is crucial. You will ultimately build a pricing matrix with a wonderful spreadsheet resulting. Don't panic. There will be assistance.

Before you begin, answer the following:

Are your current prices at the top of the market for your area? On target? Lower than most? If you have not opened your business yet, determine price ranges in your area - high end, average, and low end.

How comfortable are you with dealing with pricing? Do you have any concerns? If so, list them.

Write an encouraging statement regarding the benefits of proper pricing.

If your prices are too low, check the following that you feel comfortable looking at:

1. ____ Add tiered pricing for different instructors.
2. ____ Offer a short term option to transition your current members onto long term packages if you raise your rates.
3. ____ Offer a small added perk for current members as your prices increase.
4. ____ Start price increase with new members and hold current members at current prices for a limited period of time.

Building a Pricing Matrix and Spreadsheet

We'll do a quick review to get started. Keep in mind the 2 ways that this information will be used with your clients. First, they will be able to clearly see the cost savings between your shortest term package and your longest term package. Secondly, Your client will be able to determine the number of free months they receive between your shortest term package and your longest term package.

If you choose to build combination packages, the formula is very simple.

$$= (\text{COMPONENT 1 CELL} + \text{COMPONENT 2 CELL}) * .9-.95$$

For example: If your client would like a 12 month agreement with 1 class per week and 1 private per week, find the cells that correspond with this. In the example in the program it was D3 and D11. You then multiply this by 90-95% depending on your discount choice to get a sample price.

Review any relevant part of the program.

List questions that you have being as specific as possible.

Where do you need the most help in this process?

Relax. Help is available. If you mastered it on your own, give yourself a high five!

How will this become a helpful resource for you?

LESSON SIX

Pulling it Together

It's time for you to develop a recurrent revenue package to establish a framework for future packages. For this exercise, decide on a service that you will focus on to build a package for recurrent revenue. Then consider commitment time and session size.

What service will be your focus?

What is your rationale for your selection?

What commitment time frame will you offer? Why?

What population of clientele will this appeal to most?

How costs will be associated with this offering? Consider marketing, employee costs, and any operational costs directly relevant to this package.

PROFITS REDEFINED {AND PRICING RECREATED}

How will you price this package? List steps you will take to determine pricing.

Write up an overview of the package and expand it to a description that could be a basis for marketing and adding to your offerings.

Are there any ancillary, upsells, or add-ons that you would want associated with this package?

What will make your client see value in this package?

PROFITS REDEFINED {AND PRICING RECREATED}

Will current space, staff and budget be sufficient? Do you have any specific area to address before marketing this package?

What will your Google Drive Pie Chart look like? What are estimated percentages of employee costs, other costs, and anticipated profit margin?

Create your package.

While these steps may seem tedious at first, they will become second nature as you proceed. Learning to do it right makes a difference. Remember to set up a time for evaluation once your package is up and running. Modifications over time may be needed and can easily be implemented. Keep a list of specific concerns or questions for clarification. The goal - happy, successful clients and staff added to your increased revenue base. You are on your way to building that solid foundation that will enable your business to flourish and meet all of your expectations.



QUESTIONS?

SUPPORT@THECLIENTCURE.NET