

# 5 Deadly Mistakes To Fee-Setting

**And What To Do If You've Made Them**

A Special Report From  
**Tom Buford**  
"The Fee-Setting Go-To Guy"



[www.ChargeWhatYouDeserve.com](http://www.ChargeWhatYouDeserve.com)

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I'll dig into the deadly mistakes in a minute, but first a little about me and why I'm here.

For the vast majority of my adult life I've been a self-employed service professional. Shortly after graduating college with a marketing degree I realized that corporate America wasn't for me. Nope. There's no chip on my shoulder. I just felt very limited by the constraints of the corporate structure. I've been an author, coach, speaker, automotive painting contractor, real estate developer, and musician. Oh, and I love to fly up in airplanes and jump out at 12,000 feet. For \$25 there's no greater thrill on this earth; with the possible exception of getting to help others create a life that they truly love. Now that's a thrill that money can't buy!

## **What does all this have to do with fee-setting?**

Everything. Each time that I've started a new endeavor, I've had to remind myself not to sell myself short. I start by writing a list of past accomplishments and skills I've picked up and decide how I can use ALL of them in my new adventure. This way I don't fall into the brutal trap of charging like a rookie. It's much easier to come down on your fees than to go up. Truth be told; I've NEVER had to lower my fees in any business that I've started in order to succeed. It's all a mindset that the business owner needs to overcome, NOT the client.

Unfortunately, most people don't take the same approach when setting their fees and they find themselves unable to earn what they had intended and short on ideas about how to get out of this trap.

## ***“What do I do now?”***

Whether you are setting your initial fees for a new coaching practice or desperately trying to figure out how to raise your fees, you are off to the right start with this SPECIAL REPORT. I'm going to give you some practical information that you can use right away.

Now on to identifying and fixing those deadly mistakes...so you can start charging what you deserve!

## Deadly Mistake #1

### Setting fees based on your peers

This is an easy trap to fall into. Even the top coach training schools are telling their students to look around at what others in their field are charging and set their own fees accordingly. No, no, NO!

#### 95% of all new businesses are going to fail within 5 years!

What are the odds that you are copying the patterns of a failing business? About 95%! It's also interesting to note that about 95% of all coaches have their fees set FAR below what their prospective clients will pay. Is this a coincidence? I don't think so.

- What if you're looking at people whose fees are completely **outdated**?
- What if they don't have the **same expertise** that you have?
- What if they **aren't as GOOD** as you are?
- Are they in the **same niche**?

I could go on all day here. Setting your fees based by copying your peers **totally limits you** and the way that you perceive your business.

In fact, I've seen coaches time and again set their fees so low that they are in a constant struggle to keep their heads above water. They are spending all of their spare time chasing down new clients when new clients should be chasing them. It's very sad to see; particularly since it is so avoidable.

When I mentor people how they can increase their fees by at least 30% within 1 to 30 days, I'm barely scratching the surface. It just scares people to death when I say that they could easily double their fees in less than 90 days and attract MORE clients than ever, so I start low and go from there.

If you intend to blend in and never set your business on fire then by all means, charge what everybody else charges. But if you want to really set yourself apart and establish yourself as the expert that you are, you need to have a different mindset.

## **You don't see yourself as an expert?**

This is a very simple problem to solve. If that's all that's holding you back from getting your fees where they should be then you owe it to yourself to make a shift. I can guide you through this "quick fix" in the ***Charge What You Deserve Audio Coach and Blueprint***.

### **What goes through your mind when you see somebody whose fees are higher than everybody else's?**

I bet one thing is that you see them as an expert before you even know any more about them. This is called "perceived value" and you've seen it your entire life. I'm not implying that you in any way "fudge" your expertise, but it's very likely that you aren't even fully aware of your expertise and you've set your fees too low because of this. I will get into this in more detail when I talk about "establishing fees based on price and not value."

If you insist on using your peers' fees as a starting point then I suggest you take the average of 5 coaches in your niche who have at least 3 years' experience and add 50%. That's a conservative approach.

***"But that feels too high!"***

Do you feel a little uncomfortable about that number? Good. That means you are on the right track. If you feel completely at ease about what you are charging then you are setting your fees FAR too low!

***"It's too late; my fees are already set!"***

If you are an established coach and you have found yourself in this "low fee trap" then your face is probably turning a little red about now. That's OK. You're NOT alone. But you ARE in the minority of those who are doing something about it and I respect that!

Remember:

***"It's never too late—in fiction or in life—to revise."***  
***~Nancy Thayer***

## Deadly mistake #2

# Considering where you live when considering what you charge

The other day a friend of mine said that he could be charging \$200 more for his graphic design service if he were living in Los Angeles. What does that have to do with the price of tea in China? Isn't he offering the same quality of service here in Atlanta as he would be in L.A.? In fact, isn't L.A. a MUCH more competitive market?

There are all sorts of reasons you can come up with to keep your fees down. I challenge my clients to make a list of reasons that they should be **raising** their fees. It's actually much easier to do once you get used to it. Keep in mind that it takes far fewer muscles and less energy to smile than it does to frown. It's all a matter of where you focus that energy.

When I tell people that I go skydiving I hear a lot of the same responses:  
*"Isn't that dangerous?"*

*"Aren't you afraid your parachute won't open?"*  
*"Are you insane?"*

I don't have a very good defense for the last one, but I can easily point out how riding a motorcycle, snow skiing, jet skiing, snowmobiling, and various other activities that we take for granted are MUCH more dangerous than skydiving. It's a statistical fact, so why should I focus on the negatives? I'd never make it out to the grocery store if I did that all day long.

### **It sure is a big world out there.**

You should be thinking globally as well. If you have a website, a blog, or can write an article, then you can attract clients from all over the world. Geography should have absolutely nothing to do with setting your fees. Even if you do face-to-face coaching, there's nothing stopping you from adding on phone-based client work and group coaching programs. In fact, group coaching, either on the phone or in person, is a fantastic way to add income to your practice.

Again, people don't charge enough for group programs either. The topic of fee-setting and charging what you deserve isn't restricted to one-on-one coaching. Not by a long shot.

If you devalue your service then you are devaluing the results you expect from your clients. Plain and simple.

## Deadly mistake #3

### Establishing fees based on “price” and not “value”

“Say WHAT?!” ;-)

Get the dollar figure out of your head for awhile. Stop thinking about what your clients can “afford”. Quite honestly, it’s pretty arrogant for us to assume what another person can or can’t afford. But we try to do it, don’t we? I’m not implying that you push a \$700-a-month fee on somebody who makes \$25,000 per year. But if the \$700 is a stretch, then \$400 is probably a stretch as well. They may be much less stressed and, in turn, benefit more by reading your newsletter and joining in on a monthly group coaching program. (By the way, there are actually a LOT of benefits to group coaching that are impossible to achieve one-on-one.)

**Start thinking in terms of VALUE. Both monetary and intrinsic.**

What do you do that takes your clients out of pain and into pleasure?  
Do you help them to:

- Earn more money
- Save more money
- Have a happier relationship
- Be a better parent
- Be more productive at work
- Enjoy their lives
- Create free time to spend with family and loved ones

Start paying more attention to what you offer your clients in terms of value—and you will see how you can definitely charge what you deserve.

## Deadly Mistake #4

### Believing that you won't be able to help those in need if your fees are too high

Let's face it: you're in the business of helping people. You don't want to let those around you down. This is a wonderful perspective to have, but why should you sell yourself short? There's no reason you have to.

Like I said before: if somebody isn't in a position to pay your higher fees, that's OK. They may not be quite ready for one-on-one coaching. This is a perfect opportunity for you to begin some form of group coaching. This can be in person or over the telephone. It doesn't matter. The beauty is that you can help MANY more people with this format than you can with just one-on-one coaching. You can create a dynamic, synergistic environment that is a win/win for you and the clients.

#### What is "too high" anyway?

This is all relative. Who decides if your fees are too high? You do! At what point do you give in and say, "OK, these fees are affordable"? Why not just give your services away for free? Now, THAT'S affordable. There are a couple problems with this strategy:

- You starve
- Your clients perceive no value in what they're getting

**If you are struggling to make ends meet, then you aren't going to be in business for very long and that doesn't do anybody any good.**

If your clients aren't attaching any value to the services that you offer, they aren't going to be benefiting. You can hand out million dollar advice and it will be ignored by 99% of the population. However, if you charge a pretty penny for the exact same information, people will perceive it as being more valuable and put the principles to work.

## Deadly mistake #5

### Keeping your fees low until...

- You have more experience
- You're an expert
- You have your certification
- You've written a best-seller
- You have 50 clients under your belt
- You have 100 clients...a 1000?

Where do you draw the line? **I say you draw the line right now!** There's no time like the present.

What would it feel like to be able to increase your income 30-40% in one month? How about in one week or even by tomorrow? It would feel amazing, right? Right!

- What would that mean to you?
- What would that mean to your family and loved ones?
- Would you be less stressed? I bet the answer is "YES!"

It's my experience both personally and working with other coaches that you are MUCH more "present" with your clients when you are under less stress. That's one reason coaches need coaching ;-). We are human beings like anybody else. No matter how hard we try to maintain a separation between our coaching sessions and our lives, it's just impossible to do. We get distracted and frustrated like everybody else on the planet.

## So what are you waiting for?

Do you know the two main reasons coaches don't charge what they deserve?

1. Fear of rejection
2. Low perceived value of their services

***"No one can make you feel inferior without your consent" ~Eleanor Roosevelt***

Do you know the #1 reason coaches don't convert prospects into clients?

### They forget to ask!

This one goes right back to the fear of rejection and low perceived value of their services. If you don't feel comfortable about what you have to offer and what it's worth to your prospects, you simply "forget" to ask for their business.

### What does your prospect want?

Just as important are the questions that you should ask prospects in the course of a regular conversation. The irony is that coaches are experts at asking empowering questions of their clients, but so many of them leave this out when talking to prospects.

The goal is actually having prospects ask if they can hire YOU. That's why I put together a special report that I include with the ***Charge What You Deserve Audio Coach and Blueprint*** called ***"How to Sell Without Selling."*** This is a very empowering approach and it's also an amazing way to find out just how much you CAN charge. You will be blown away at how simple and effective this is!

### What next?

Below are a few steps that you can take right now to begin charging what you deserve. I want to get you started with the "mindset principle". That's just a stuffy way of saying that you need to get your head in the right place before you do anything else. You need to start focusing on the value that you have to offer as a coach.

1. Get a piece of paper and something to write with. Take at LEAST 15 minutes and start writing down everything that you can think of that your

clients can get out of their coaching sessions with you. Keep this list where you can see it throughout the day and keep adding to it. Review this list anytime you begin to question your ability to provide value to your clients.

2. Contact current clients with a quick e-mail and ask them to list anything that they can think of that they take away from their coaching sessions with you. Tell them that you are creating new marketing material, and their input is valuable to you. (Their time is very important, too, so offer a free 10 minute laser coaching session for doing this.)

3. Merge the two lists and come up with a value of each item. Now come up with a combined value of the list. How many of these topics and “take-aways” would some people consider priceless or invaluable?!

When you’re done, ask yourself one question.

### ***“Am I charging what I deserve?”***

Next create a list of multiple options you can offer your market. Begin thinking of business models that will benefit both you and your market. You can raise your fees and create more affordable options for your market at the same time. I never suggest simply raising your fees “in a vacuum”.

What can you offer your prospects and clients?

- Group coaching programs
- 2-3 different rate structures for your private clients
- Information products
- Membership programs and “Inner Circles”
- Teleseminars
- Etc

To learn more about these and other components of a successful business model, be sure to check out the following page:

<http://chargewhatyoudeserve.com/products/index.php>

I trust that this report has been of value to you. The bottom line is that 95% of all coaches are undercharging! There’s no need for you to be one of them.

**So, I have one more question for you...**

## What's keeping you awake at night?

Are you...

- Tired of not knowing what to charge for your coaching, consulting or other services?
- Stuck in the mindset that you need to work with more people and charge less to survive?
- Unsure that you can charge what you deserve in a slowing economy and get it?
- Eager to begin charging what you deserve, but don't know where to turn for help?
- Nervous when discussing your fees so you avoid bringing them up altogether?
- Worried that if you raise your fees you will scare away all of your prospects?

**Why waste your valuable time and money when I'm exposing the most costly mistakes -- and the most profitable strategies -- of some of the most successful service professionals around?**

Get inside the minds of people like you who average over \$700 per HOUR and learn exactly how they do it.

### Charge What You Deserve Expert Interview Series

