

Lessons from a plumber

Steve's mind was racing, jumping ahead to ways he could grow, but then it hit him that Karen's approach was totally impractical for some of the ways he worked. "What about when people call me for small jobs—things that might take a few minutes or a couple of hours? That happens to me a lot. Isn't it easier to just give them my hourly rate, rather than going through this whole long exploratory process?"

"What do you do," Karen asked, "when you can solve the client's problem in a few minutes? Do you charge them a tiny fraction of your hourly rate?"

"The minimum I charge is an hour," Steve said. "So, sometimes I'll charge an hour and if I take less than that, the client can use up the unused time whenever they want. Other times, I'll just do it for free because it's only a few minutes of my time."

"I think it's okay to do things for free sometimes," Karen said. "But charging for small jobs based on blocks of time causes two problems. One, you're overcharging the client if they don't actually end up using the time they've bought from you. Two, you're likely to underprice yourself, because when