"So, how do you set your prices then?"

> *"The value of what I do is based on the impact I can have on my client's business."* Tweet this

"Let me give you an example. A couple of months ago I sat down with a client to talk about their website. I asked them to tell me why they thought they needed a website. When we drilled down into their reasons, they said they believed a website could generate an additional $100,000 of profit annually for their business. So I asked them to make an investment of $20,000 in the website. Based on your hourly pricing model, you'd probably charge in the area of $2,000 to $2,500."

"Did they agree to your price?"

"Yes. Wouldn't you invest $20,000 to generate $100,000?"

Steve agreed and he was excited about what Karen was telling him, but lots of questions were flooding his brain. "I get your math," he said, "but doesn't it come down to time in the end anyway? I mean, you spend a certain amount of time on the project. You could