Pricing Plays To Make More Money

Introduction

In this video, I'm going to show you how to increase your client lifetime value through strategic pricing tweaks and upsells. These are the strategies I used to take our average retainer from $500 to $2,600 (and continuing to go up) and make more money from our clients by changing their billing frequency, increasing our agency's profitability without needing to do anything but change our pricing.

When it comes to growing your agency, there are only two levers you can pull to increase lifetime value:

1. Increase price (get clients to pay more in the same amount of time)
2. Increase retention (get clients to stay with you longer)

In the last video we broke down some immediate levers to pull on increasing retention, now we're going to dive into things you can do to make more money for the same amount of work.

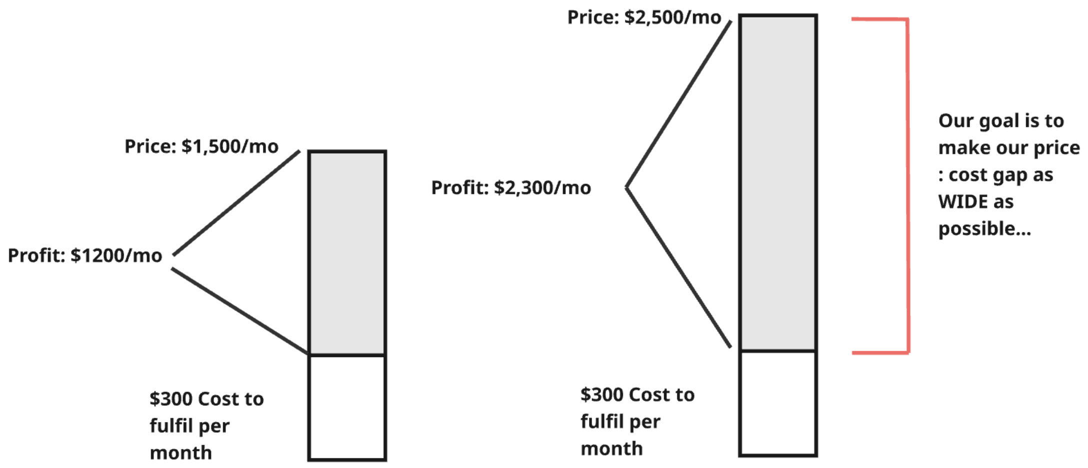
Lifetime Value

Lifetime value is how much you make from a client over the entire duration of them working with you.

The higher your client's lifetime value, the greater your profit margin becomes. This happens because your major costs are front-loaded in month one when you acquire that client if you're running paid ads (which if you're not, you should be…) When your LTV exceeds your competitors, you gain LEVERAGE: you now have the ability to outspend them on ads while remaining profitable. This is how I was able to grow so fast in my Medspa agency, my LTV was higher than most so I could spend way more to acquire clients.

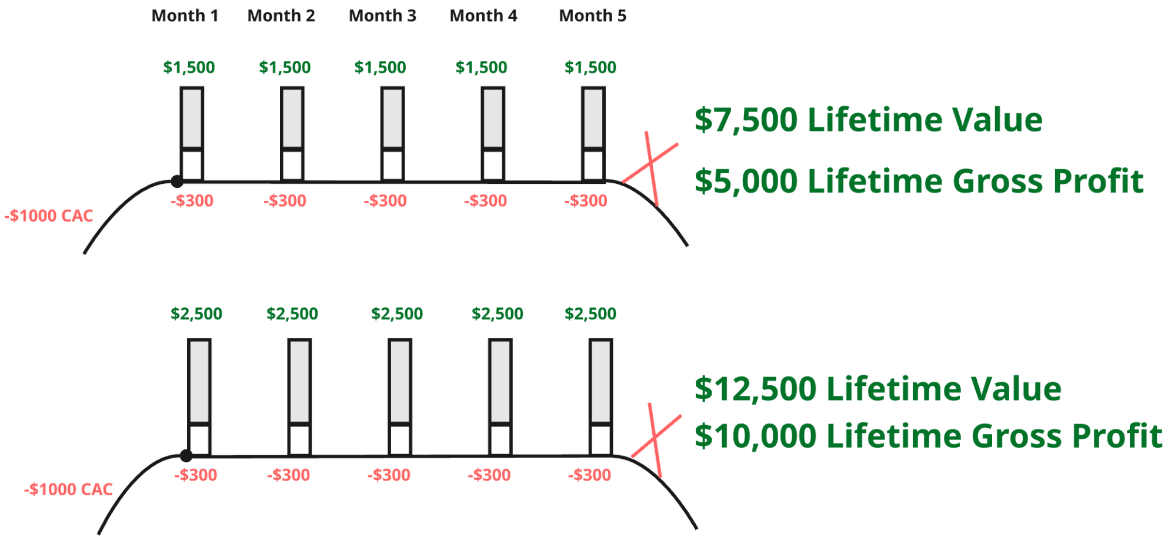
Lets take two competing agencies in the remodelling niche as an example:

Name	**CAC**	**Avg Retainer**	**Avg Client Duration**	**Lifetime Value**	**Lifetime Gross Profit**	**CAC : LTV**
John	$1000	**$1500**	5 months	$7,500	$5,500	1 : 5.5
Lisa	$1000	**$2500**	5 months	$12,500	$10,000	1 : 10



The key difference between John and Lisa is the amount they charge per month. Lisa has a much bigger cost : price gap which means she can make more money with less clients and has LEVERAGE over John…

If both of them just keep their clients for the same period of time, have the same CAC, and the same fulfilment cost, here's what the numbers look like:



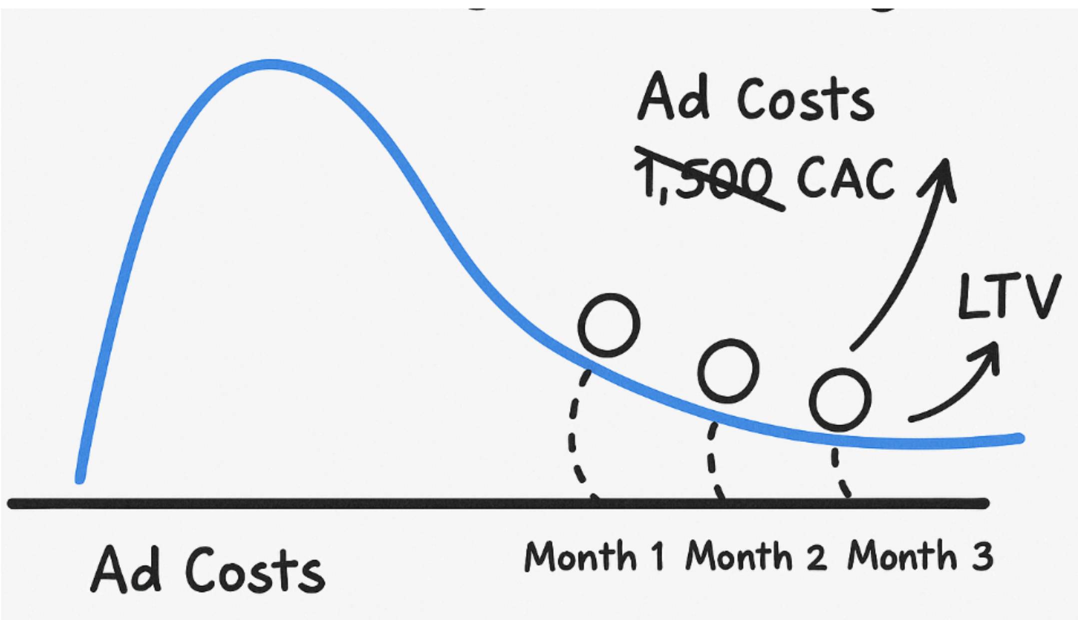
So notice here how both of them do the same work but Lisa makes nearly 2x what John does just because she's priced differently? Another huge benefit to this is she can make significantly more money than John with LESS clients, which means:

- She makes more profit (lower cost to fulfil per client)
- Has fewer clients to manage for the same outcome
- Works fewer hours
- Has a smaller team

Superior pricing creates leverage

Raising your prices is a necessity. Your CAC is going to continue to go up, and your profit margins will steadily erode unless you counteract it with higher prices.

And the easiest way to do so is by tweaking your pricing structure… Example Pricing Difference



Levers To Make More Money With No Extra Work

There's 6 levers you can immediately pull that will allow you to make more money from your clients:

> Price Increase
> Performance Based Pricing
> Strategic Upsells
> Billing Cycle Optimization
> Contract Durations
> Processing Fees

01: Price increase

The most straightforward way to increase LTV is to raise your retainer prices - so say for example you charge $1500/mo now, just bumping that up to $2000/mo for all new and existing clients.

If you had 50 clients, that'd bring you an extra $25,000 in MRR every month without doing anything extra.

Courage > Intellect: Raising prices is more about having the balls to do so than the brains. You just have to be willing to say a higher number when you get to the end of the sale.

How to Know When to Increase Prices

Two metrics I look at when considering if an agency can increase price:

- Day 1 UF Cash Collected > 50%+
- Close Rate > 30-35%+

If these metrics are being hit, chances are your offer is too good and it's time to increase the price.

How much do you increase it by?

The rule of thumb is you keep increasing it until the market tells you to fuck off, but if you want tangible numbers there's a few ways to approach it:

- **Skeptical Approach:** $400-600 Bump Going from $6000 → $6400 → $7000 Honestly, I'd avoid this in most cases unless you're genuinely worried you're pushing the limits of what your market will bear.
- **Normal Approach:** $1K Bump Going from $5800 → $6800 → $7800 This is my standard recommendation. It's enough to make a real difference to your bottom line but not so aggressive that it scares off clients. Most markets can absorb this without much pushback.
- **Aggressive Approach:** $2K Bump Going from $5800 → $7800 I'd only do this if your metrics are REALLY good. Like, you're crushing it for clients, your close rate is high, and

you know you're still underpriced compared to the value you deliver. This is for when you have the data to back up a big move.

This is typically for a 3-4 months contract term, so if you're charging monthly (which I'd recommend switching to PIF's) then just divide it by 3

Also keep in mind that your pricing should be tied to the economics of your client's business. If your niche sells something with an average ticket price of $1,000+, you can easily charge a $2,000+ retainer because the ROI makes economic sense.

For example:

- Clients with $500 average ticket → $1,000-1,500 retainer
- Clients with $1,000-2,000 average ticket → $2,000-2,500 retainer
- Clients with $3,000+ average ticket → $2,500-3,500 retainer

Hear more no's make more money: Yes, you will get more no's when you increase your price. If you go from 50% close rate to 30% close rate but you double your prices you make more money with less work. But, you'll hear "no" a lot more than you did before, so you've got to be willing to stomach it.

How To Roll Out The Price Increase:

Start by having your top closer test it out (or you, if you don't have one.) Let them run with the new pricing on their own calls to prove it can work. This creates a real-world test case without risking your entire pipeline.

Once you've got some proof (honestly, even just 10 demos is enough data if they're closing), then roll it out to the whole team. If your team is super hungry to make more money, you can just roll it out all at once - no need to overcomplicate it.

If you don't have a "best rep" or you're the only salesperson, then you're the one who needs to validate it. Just start selling at the higher price point and see what happens. One thing you don't wanna do is decide if you need to go back down to your old pricing after 2-3 demos, do not act out of emotion, give it 10 demos before deciding on the hypothesis at least...

Implementing Price Increases for Existing Client

Increasing prices for existing clients is a little trickier, but definitely doable.

First I'd map out in order with all your clients, the ones most to least likely to be okay with the price increase, then immediately start with the ones most likely to not give any pushback (this way you don't risk increasing the price for everyone at once and 30% of your clients churning…)

When you break the news to them, I'd highly recommend you do it on a call, and the main thing to keep in mind is you need to sell them on WHY you're increasing price, and what benefit they're getting as a byproduct of your price increasing.

When we did this in our agency the template attached below worked super well for us (we broke it to the client at the end of our routine check in calls but explained it in the same way as you would in an email) - but you can also do this via email at scale if needed. If you have less than 50 clients just do it on check in calls, you'll get less pushback.

Here's the email template: Price Increase Email Template

Organize your clients in order here: Price Increase Planning

02: Performance-Based Pricing

Beyond just jacking up your retainer another thing to consider is adding performance components that put more money in your pocket without your client feeling the pinch.

The Middleman Model

I stumbled onto this strategy almost by accident, but it's been a game-changer. I call it the "middleman model" and it works like this:

1. You charge your normal retainer for your core service
2. You also collect a small fee for each lead/booking you generate

Here's how we do it in our medspa agency:

- Base retainer: $2,000/month
- Booking fee: $25 per appointment booked - our call center takes this directly from the patient and we just connect our Stripe account onto every clients CRM account

We get our avg client 16 appts/mo, which means we make $400/mo extra from every client. And this made us an extra $45,000 in MRR last month on top of our retainer fees.

And if you wanna make it a real no-brainer for the client, figure out a way to charge the consumer directly in a way that doesn't make the client go out of pocket. The way we do this is we frame the $25 as a “consultation fee” - most medspas offer free consultations so we can take this from the consumer and everyone wins.

How to Make This Work in Your Niche

This isn't just for medspas. You can adapt this to literally any niche:

- Solar: $50-100 deposit for consultations
- Roofing: Charge a $75 inspection fee
- Car Detailing: Take $25 booking deposits

The key is how you position this. Don't frame it as "we want more money." Instead, show your client how this deposit:

- Dramatically increases show rates
- Filters out tire-kickers
- Saves them hours wasted on no-shows
- Creates skin in the game from potential customers
- Aligns incentives for your team and their team

How to Structure It

Keep it simple. You've got three main options:

1. Flat fee per lead - Easiest to explain and implement
2. Percentage of sale - Usually 5-15% of the final sale
    - Only do this if you're team is closing the leads otherwise you're reliant on the client to be a good closer
3. Tiered structure - Fees increase with volume
    - 10 appts / mo you bill them X
    - 20 appts / mo you bill them X
        - Have it gradually go up the more leads you get them…

I've tested all three, and the flat fee wins every time. It's clean, simple to track, and clients get it immediately.

Just keep in mind that depending on your niche it may not make sense to charge the consumer the commission fee, for example if you're in remodelling booking someone in for a home consultation **do not** try to take a deposit, with niches like this I'd recommend making your pricing structure a retainer + commission per qualified appointment that the client is billed for when you book them an appointment, just because show rate isn't an issue so adding a deposit just adds unnecessary resistance.

03: Strategic Upsells

Barely anyone in the agency game talks about upselling clients which I find kinda stupid - it's 10x easier to sell an existing client more stuff than it is to sell a new client.

I copied this upsell process from Apple - People go into the Apple store to buy an Iphone or an apple product, and end up walking out also buying AppleCare. They didn't go into the store thinking of buying AppleCare, it's just a natural upsell that Apple has as soon as you purchase one of their products.

And the wild thing is apple do over a BILLION dollars in revenue per year just from AppleCare alone, and they *didn't even used to charge for it* **-** so this got me thinking what things I don't charge a premium for, that I could reframe as an upsell to make more money.

And that's when we started upselling clients in the onboarding process, let me break down how we do it:

Onboarding Call Upsells

We push for 3 specific upsells during our onboarding process:

- Chat Widget: $250/month
- AI SEO: $750/month
- More Ad Spend / more campaigns

Upsell Script - Onboarding Call

The math here is simple. Most people offer Go High Levels chat widget feature for free and it costs $0 of additional fulfilment cost, so everything we make from it is profit.

If you haven't looked into SEO yet I wouldn't trying to set it up just yet, the easiest lever you can pull is charging extra for the chat widget because like AppleCare in Apple's example, most people offer it in their service anyway but just don't charge for it - and the price for the widget is low enough for the client to be completely fine with adding it on with little to no objections.

Also if someone gives us resistance, we offer them a 30-day trial - we do this for every upsell we have to get a client over the fence whether it be the chat widget, an additional campaign, or an additional location - what you're looking for with the trials is a 75%+ renewal rate which is pretty easy to hit if the upsell is only a few hundred dollars extra a month.

Types of Upsells

There are two main categories of upsells that work well:

MORE of what they already have:

- Additional ad spend: $500/month for every $1,500 in extra spend
- Additional locations: $1,500/month per location (discounted from primary)
- Additional campaigns: $1,000/month per extra campaign

DIFFERENT complementary services:

- Reputation management
- SEO
- Chat Widget
- Ads on diff platforms
- Reactivation Campaigns

If you're considering adding on a different service - I wouldn't recommend doing so until your core service is dialled. Once it is, ask yourself 4 questions to determine if it's worth adding on:

1. Can you deliver it well? (Don't upsell what you can't deliver)
2. Does it complement your core service? (Should enhance, not distract)
3. Is the profit margin worth the effort? (Aim for 50%+ margins)
4. Can you systematize delivery? (Should scale without you)

If you answer "yes" to all four questions, you've found a viable upsell opportunity.

The beauty of having multiple services for your clients is you also have another leg to stand on. Say for example you run both google and facebook ads for a client and google is sucking shit, if facebooks crushing the client wont churn, and you can just allocate the google budget to facebook.

If I was still working on dialling in my core service delivery, I'd be upselling the Chat Widget for $250/mo and a monthly reactivation campaign for $250/mo to new clients on the onboarding call - easy money that's 99% profit…

04: Billing Cycle Optimization

A single change in your billing cycle from monthly to every 28 days (4 weeks) will add 8.3% in recurring revenue to your agency every year.

How It Works

Monthly billing gives you 12 cycles a year. Every 4 weeks (28 days) gives you 13. That extra cycle? Pure profit. And the best part is people convert at the same rates. So this gives you an instant and permanent 8.3% increase in revenue for no extra cost.

If you had 20 clients at a $2500 monthly price point, you'd add an additional 26.1% net profit and increase net profit overall by 41.5% - it's free money…

Metric	Monthly Billing	28-Day Billing
Clients	20	20
Monthly Retainer per Client	$2,500	$2,500 every 28 days
Annual Revenue	$600,000	$650,000
Cost to Fulfill (Fixed)	$480,000 (80%)	$480,000 (same)
Net Profit	$120,000 (20%)	$170,000 (26.1%)
Net Profit Increase	–	**+$50,000 (41.5%)**

How To Implement This:

1. Change your contract to say "every 4 weeks" instead of "monthly" (Since we changed this I've never had a single person notice or complain about this)
2. Change new client payment cycles to be billed every 28 days instead of Monthly
3. Email all existing to notify them of the change
    - Billing Cycle Update Email Template
4. Change all existing clients to be billed every 28 days instead of monthly

05: Contract Durations

Gradually increasing your minimum contract length can significantly improve retention - because it is a proven statistic that *billing frequency has a direct correlation with client retention*. The less often you bill, the less churn you have.

Now why doesn't everyone get 12-month commitments if that's the case? Because it's 12x the price right out the gate, which means you'll sell fewer clients. This is why I'm a fan of pitching the 3-4 month commitment upfront, then dropping to monthly if needed because it then serves as a price anchor.

- Start with 3-month minimum contracts

- Move to 4-month minimum contracts
- Eventually implement 12-month agreements on the backend for active clients

Much like the price increase, this is something you should continue to push up until you hit a point of resistance in the market. The sweet spot I've seen is to be around 3-4 months on the frontend, but on the backend you can go all the way up to a year.

The reason I'm a fan of getting a long term commitment is

1) You can collect more cash immediately which you can use to push into ads to get more clients
2) The client looks at their results on a longer time horizon and aren't down your neck when they don't get results in a week
3) Even if the client dies (god forbid) you have essentially "bought" your retention, so regardless of what happens you have been paid that money / will be paid the money

What I'd recommend doing is having a front end 3-4 month program, then at the end of that program you have an "upsell" call where you pitch them a longer term contract - this is dependant on how good results the client got, if they are happy and crushed it, push for a 12-month, if they did pretty good, you may want to go a little shorter.

Finally when offering longer term commitments, offer a discount to incentivize the upfront commitment.

An example of this is, if you charge $1k/mo, if someone commits to 12 months you can frame it as if they get "2 months free" so it'll be $10k for 12 months.

06: Processing Fees

Here's a simple tweak that instantly adds 4% more revenue from every client while actually making them thank you for it. I learned this from a friend with an ad agency who casually mentioned:

"I added 33% to our profit by adding a 3.99% credit card processing fee."

That caught my attention for two reasons:

1. It showed how thin his margins were (which is common in agencies)
2. Adding 3-4% for literally no extra work sounded like a no-brainer

How It Works

The implementation is dead simple:

After the client agrees to your price, ask: "How did you want to pay?"

Then say: "Great, it's just a 3.99% card processing fee."

In my experience, 90% of clients just accept this without question. It's become so common that most people expect it.

But here's where I improved on my friend's approach. For the 10% who hesitate, I offer an alternative:

"No problem. You can save 3.99% by providing a second form of payment."

I explain: "We only have the fee because if a card declines, we use resources to get a new one, and about 7% of cards decline every month. If you save us time and effort by providing a backup payment method, we pass those savings on to you."

The Hidden Benefit

Now you might think - "Wait, didn't that just erase the gain in pricing?"

Yes, but we got something much more valuable: a second payment method.

Why does this matter? Because recurring payments experience 1.2%-1.7% monthly "involuntary" churn just from card info changes, expirations, and declines.

If your total monthly churn is 5%, this means 24-34% of your churn isn't because clients are unhappy - it's because their payment failed and they never bothered to update it.

The Impact on Lifetime Value

Let's break down what this means for a $2,500/month retainer with 9% monthly churn:

Situation	Price	Churn/Month	LTV
Standard	$2,500/ mo	9%	$27,778
With Processing Fee	**$2,600/ mo**	9%	$28,889
Second Payment Method	$2,500/ mo	7.8% (1.2% saved)	$32,051
Second Payment Method	$2,500/ mo	7.3% (1.7% saved)	$34,247

Look at that bottom row. By simply collecting a second payment method, you can potentially increase your client lifetime value by over 23%.

Implementation Steps:

1. Add this to your contract: "A 3.99% processing fee will be applied to all credit card payments."
2. Train your team to present this as a benefit: "We offer a 3.99% discount for clients who provide a backup payment method."
3. Make it easy to collect the second payment method - use a simple form that can be filled out during onboarding.

This is one of those rare win-win situations. You either make 4% more on every transaction, or you dramatically reduce involuntary churn. Either way, your bottom line improves significantly.

These strategies don't require you to get better at marketing or sales. They simply optimize what you already have. It's about working smarter, not harder, which in turn creates leverage.

Your action item is to implement at least ONE of these strategies this week to make more money in your agency, but if I was you I'd implement them all...