

Freelancer Pricing Strategy

Step-by-Step Exercise

My career Level is:

My Skills are:

Client Budgets around:

Their Pain points they may pay more for:

The strategy I am comfortable with is:

Section 1: Identify Your Costs

What are your monthly fixed costs?

(e.g., rent, software, insurance)

1.

2.

3.

What are your variable costs?

(e.g., marketing, outsourcing)

1.

2.

3.

Section 2: Calculate Your Break-Even Rate

Use the formula below to calculate your break-even rate:

$(\text{Fixed costs} + \text{Variable costs}) \div \text{Billable hours} = \text{Break-even rate}$

- **Fixed costs:** _____
 - **Variable costs:** _____
 - **Billable hours per month:** _____
 - **Break-even rate:** _____
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Section 3: Set Your Hourly or Project Rate

What is your target annual income?

- **Target income:** _____

How many hours do you plan to work in a year?

- **Work hours per year:** _____

Calculate your hourly rate:

$\text{Target income} \div \text{Work hours} =$ _____

Section 4: Project-Based Pricing Example

Use this example to price a specific project:

- **Estimated time to complete the project (in hours):**

 - **Your hourly rate:** _____
 - **Add a buffer (10-20% for unforeseen complications):**

 - **Final project price:** _____
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Section 5: Value-Based Pricing

For value-based pricing, consider the added value your work provides to the client:

How much value will your work add to the client's business?

(e.g., increased revenue)

- _____

Set a percentage for your fee (e.g., 10% of the added value):

- _____

Final value-based price: _____

Section 6: Practice Negotiations

Prepare to handle client objections by practicing your responses:

Objection:

"Your rate is too high."

Response: _____

Objection:

"We have a limited budget."

Response: _____

Objection:

"We can get it cheaper elsewhere."

Response: _____