

How to Price for a Profit

How to get to your HAPPY price by charging an amount that motivates you:)

Welcome Flower Friends

LET'S HIT THE HIGHLIGHTS

Why Price for a Profit?
Understanding and Defining Costs.
Calculating your income needs.
Pricing Strategies.
Setting Prices and Offering Value.
Adjusting Prices for Profitability.
Communication and Transparency.
Case Studies and Examples.
Group Discussion.

Hi, I'm LuAnn Dickson the founder and CEO of EveryStem

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SOMETHING TO THINK ABOUT

People want to find work they are passionate about because they've been taught to believe that work is all about and for them. The most successful people in the world know that work is about helping and creating value for other people.

If you want to love what you do, abandon the passion mindset (what can the world offer me?) and instead adopt the craftsman mindset (what can I offer the world?).

Why price for a profit?

SO YOU CAN MAKE MONEY ON EACH SALE

While this may seem obvious, pricing is important because it defines the value of your services for your customers.

So how do you make sure your customers have the experience of receiving great value for the price, while also making sure you feel happy to do the work at that price?

The solution is simple. Find your Happy Price.

Your Happy Price is the lowest price at which you are totally happy to provide a given service, to give your customer your absolute best and go the extra mile for them.

The logo for EveryStem, featuring the word "EveryStem" in a green, cursive script. A small green leaf is positioned above the letter 'y' in "Every", and another small green leaf is at the end of the word "Stem".

⁰⁵ Understanding & Defining Costs

PROFIT = REVENUE - COSTS

Chasing revenue without regard for costs is a recipe for disaster as a bespoke service provider.

Let's discuss some of the costs in our businesses!

Operational Costs

Costs of Goods Sold

Labor Costs

Expenses



CALCULATING YOUR INCOME NEEDS

Step 1.

Business Expenses + Income Taxes + Owner's Pay
= Minimum Sales Goal

Step 2.

Divide your Minimum Sales Goal from Step 1, by the number of weddings you would like to book to calculate a minimum sales price per wedding.

Minimum Sales Goal / Number of Weddings = PER wedding
minimum

Pricing Strategies

3 SIGNS THAT YOU ARE PROBABLY NOT CHARGING ENOUGH



YOU FEEL
UNMOTIVATED.

Marketing your services feels bothersome. Why spend effort marketing only to bring in work that you resent for less than your happy price?

YOU ARE BUSY,
BUT THERE'S NO
MONEY IN THE
BANK.

Plucking numbers out of thin air without understanding how much you need to charge to make a profit.

YOU FIND IT
REALLY DIFFICULT
TO TALK MONEY.

If you struggle to talk about money, you are likely on the receiving end of not getting paid what you're worth.

PRICING STRATEGIES

Cost Plus Perceived Value Competition

The price you charge should include room for all costs plus a healthy profit, reflect your value, and be relatively, competitively priced.



Setting Prices & Offering Value

All great businesses are based on Word of Mouth Yet word of mouth is based on the perception of great value on the part of the customers. And their perception of value is highly tied to your price.

The truth about pricing in floral design is that people are willing to pay up to the point of perceived value, regardless of the cost.

This is why simply “charging more” is not the answer.

SO, WHAT IS THE ANSWER?

Creating extreme perceived value

AND DELIVERING ON IT ACROSS THE BOARD

When you create extreme value for your customers, they will be willing to pay a premium in exchange for the experience you are providing them.

Let's take this ceremony installation I created for example.

Using EveryStem software I created my recipe and then evaluated my price by simply adjusting my markup and checking the retail price the software tells me I need to charge.



Here are the numbers.

And we all know, numbers don't lie!

3X markup plus 30% labor fee. Design Price \$1700

4X markup plus 30% labor fee. Design Price \$2250

5X markup plus 30% labor fee. Design Price \$2800

It's the same design. So what is the differentiator?

The higher price tag has to be paired with a higher perceived value.



Can you...

BRING ENOUGH VALUE TO THE CLIENT

where they won't bat an eye when you charge \$2800 for this design?

THAT'S TOTALLY UP TO YOU!

Business is trial and error, so testing the water with higher prices paired with extreme value is OK.

THAT'S HOW YOU FIND YOUR HAPPY PRICE

By experimenting with what you are willing to feel motivated to do the work by and what you clients' are willing to pay for the value you bring.

But, if your clients are all saying “No, thank you.”...

THEN IT'S TIME TO USE EVERYSYSTEM TO EVALUATE

And to talk to your clients about what they feel is good value.

BECAUSE EVERYSYSTEM IS THE SOFTWARE

that makes this type of essential work and business evaluation easy!

THIS IS A PROCESS AND IT WILL TAKE TIME

But, I'm here to help support you along the way!



Adjusting prices for profitability

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REGULARLY REVIEW YOUR PRICES

Price fluctuations are part of running a business. You can easily check and update prices before ordering. You can use high-end costs for all items to buffer price. You cannot freak out and run away and expect to make a healthy profit.

PROACTIVELY ADJUST SEASON TO SEASON

Costs change season to season, not just the cost of flowers, but your rent, your expenses, etc. So it's important to evaluate your pricing strategy, markups, fees and profitability with every new season!



Profit Summary

Extended Cost	Quote
\$3,942.33	\$15,065.00
Extras Cost	Retail
\$92.27	\$14,847.29
Total Cost	Difference
\$4,034.60	\$217.71

EveryStem

YOU CAN
BUILD
FUNCTIONAL
RECIPES
TO
ESTABLISH
PRICING
FOR
YOUR
FLORAL
DESIGNS!

Retail Formulas

Qty 1
8 IN CYL -\$350

Base Flower (S)	5	5
Focal Flower- Low E...	5	5
Focal Flower- High...	2	2
Filler Flower (S)	3	3
Line Flower (S)	8	8
Dancer Flower (S)	5	5
MVP Flower (S)	2	2
Greens, Fancy (B)	0.2	0.20
Greens, Basic (B)	0.5	0.50
Extended Cost	\$91.03	
Supplies - Retail Value	\$ 20.00	
Retail Value	\$347.71	
Quoted Price	\$ 350.00	
Difference	\$2.29	

EVERYSYSTEM'S FEATURES

Empower you to handle price fluctuations like a boss!

Copy Feature

Allows you to create templates & copy past events to speed up the process

Swap Item Feature

Allows you to swap items easily to adjust recipes and stay on budget.

Profit Summary Feature

Allows you to get real-time profit feedback and course correct if need be.

And Transparency

WITH YOUR CLIENTS ABOUT VALUE,
EXPECTATIONS, TRUST, AND PRICE

Clearly communicating pricing to customers.

Building trust through transparent pricing practices.

Handling customer inquiries about pricing.



Case Studies and Examples

SUCCESSFUL FLORIST PRICING MODELS

Profit Margin driven businesses

LEARNING FROM CHALLENGES

When costs get out of control

GROUP DISCUSSION

YOUR HAPPY PRICE DOES EXIST! YOU JUST NEED TO FIND IT.

Questions?

**Thank you
for being a member of EveryStem!**

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FEEL FREE TO REACH OUT ANYTIME.