

Cliff Notes

Charging Premium Fees by Salim Omar

Not charging the right fees is prevalent in many firms. It results in the practice not generating the profits it should. The fastest way to make a significant impact to your bottom line is to charge the right fees. When the firm does not charge the right fees, there's also little to no money to invest in the practice. Finally, undercharging fees results in burn out and an unsatisfying career.

There are 3 Success Principles related to getting the right fees;

1. Package your services.

Identify and uncover your client's \$100k problem. Instead of just finding their \$5k or \$10k problem which most CPA firm owners do. This means you want to dig deeper by asking questions related to their hopes, dreams and aspirations as well as problems they are faced with that keeps them up at night. Then you articulate what the client shares and boil it down to their 3 biggest problems. You are the CPA firm that can help them with these problems through your package services.

2. Right size your clients

You may have clients whose fees are not aligned to the amount of work and effort it takes to service them. Perhaps their business has grown over the years or their needs have changed. The way to right size their fees is to tabulate the clients and list out the work you do for them and the fees they are currently paying you. Then create a column where you write down what the fees should be. Once you have done that, you now know which clients need an adjustment in fees and how much. Depending on the amount of adjustment, you then communicate this to the client in the form of an email, phone call or a personal meeting.

3. Break down the barriers.

There are 3 big barriers that get in the way of firms charging the right fees.

- i) **Losing a client:** Several coaching members shared how receptive their clients were when they approached them about the fee increase and understood and complied with the fee increases.
- ii) **Underestimating:** As CPAs, we underestimate the effort it takes to properly service the client. We also underestimate the expenses and costs to run a successful practice. Charging the right fees enables you to run and sustain a successful, profitable practice.
- iii) **Attracting price buying clients:** This was covered in depth during the presentation on attracting the right clients by niching.