



# How to calculate your fixed price for bookkeeping services... so you always make a profit

Mark Wickersham FCA





Take a minute  
to connect with  
your neighbor...

Tell them your  
biggest problem with  
pricing bookkeeping

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# About today's speaker



**Mark Wickersham FCA**


World's leading expert on  
implementing value pricing

Wickersham FCA – *public speaker and author of the #1 best-selling book “Effective Pricing for Accountants”* – is known as the most sought-after profit improvement expert in the accounting community.


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# Why you must give a fixed price



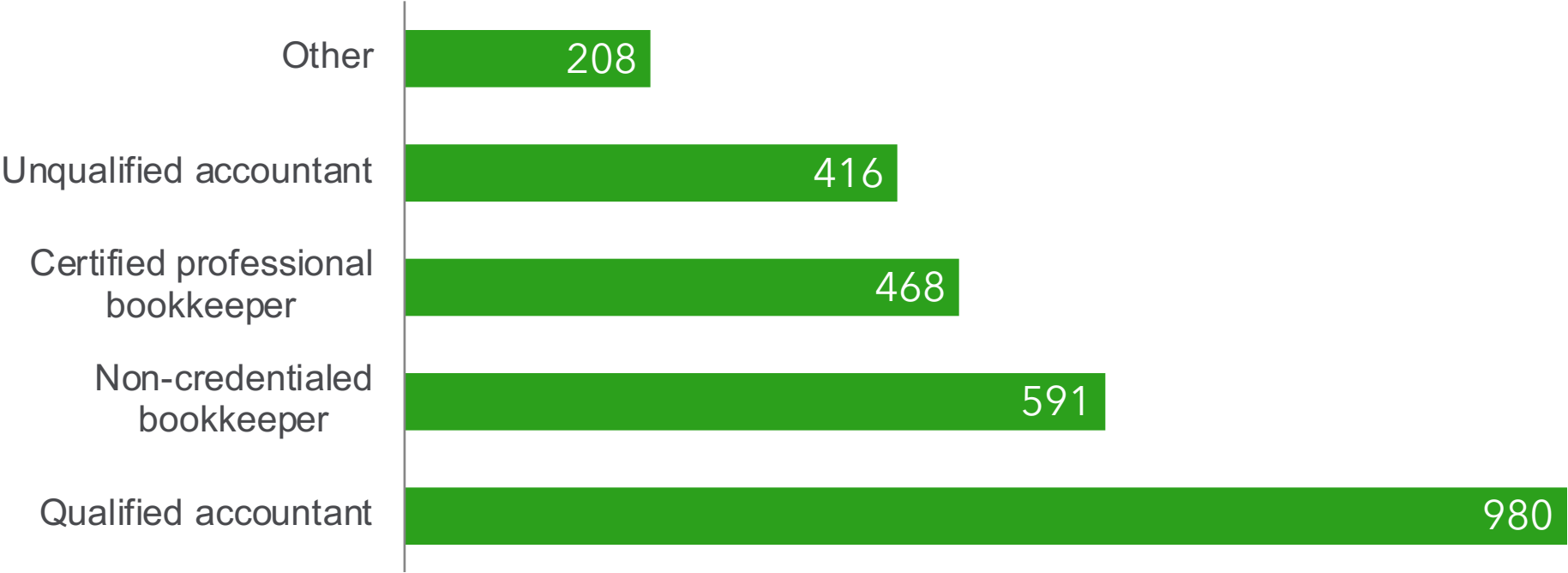
# How your competitors are pricing bookkeeping services



A research study into how **2,683** accounting professionals price bookkeeping services

# Who participated in the survey

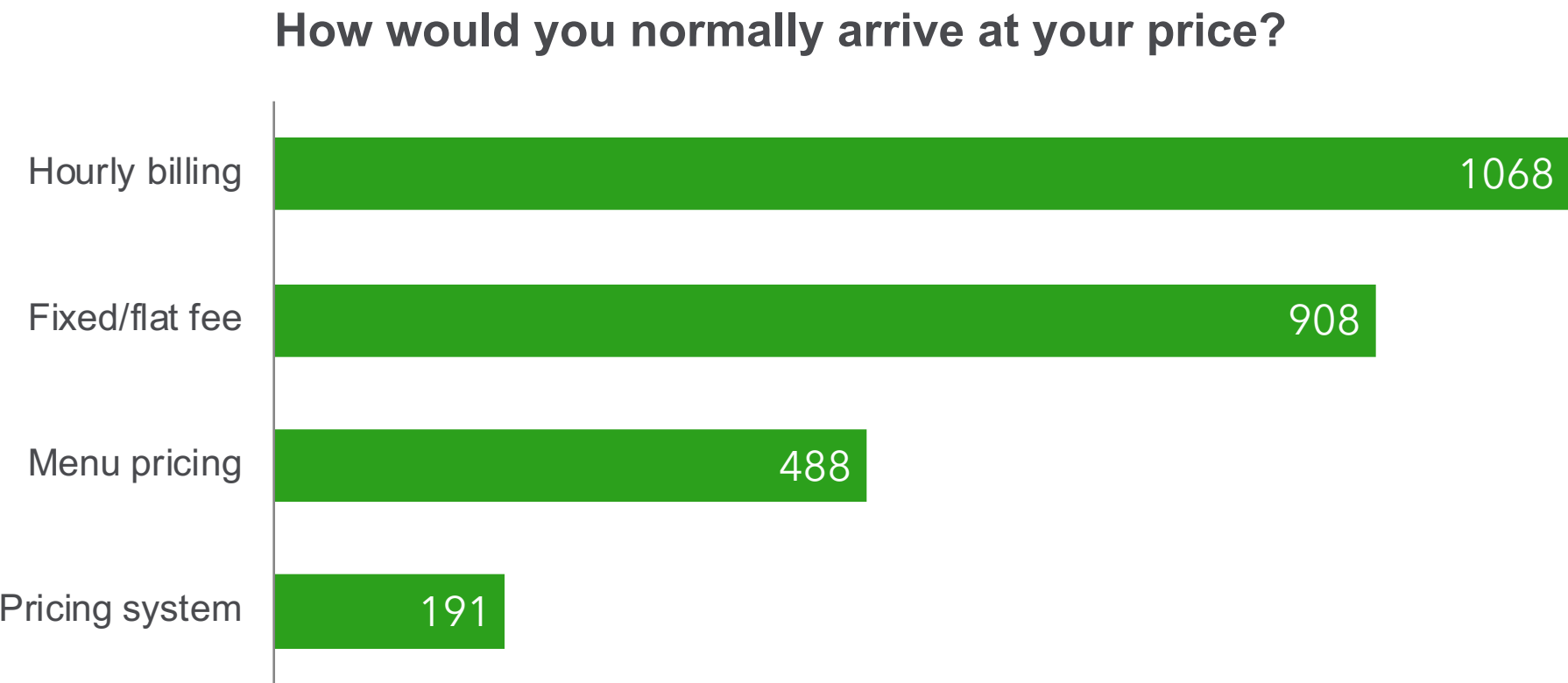
What profession the survey participants came from



Source: How much do your competitors charge for bookkeeping, 2019

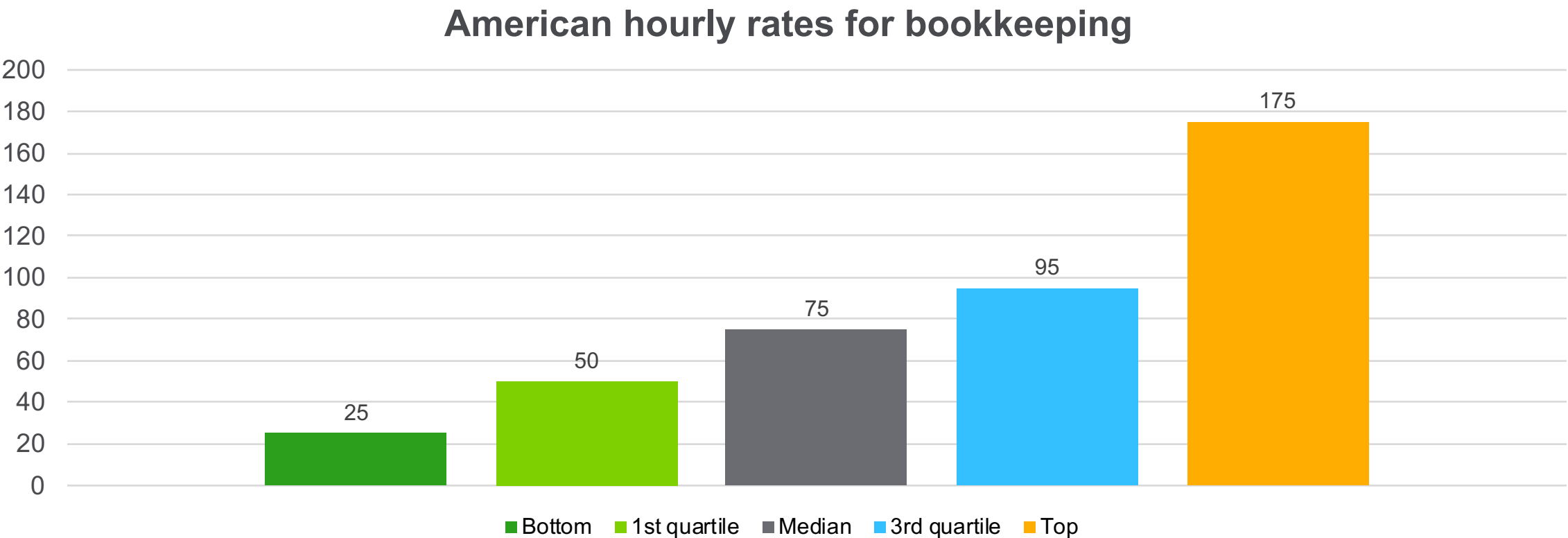


# How the accounting profession prices bookkeeping



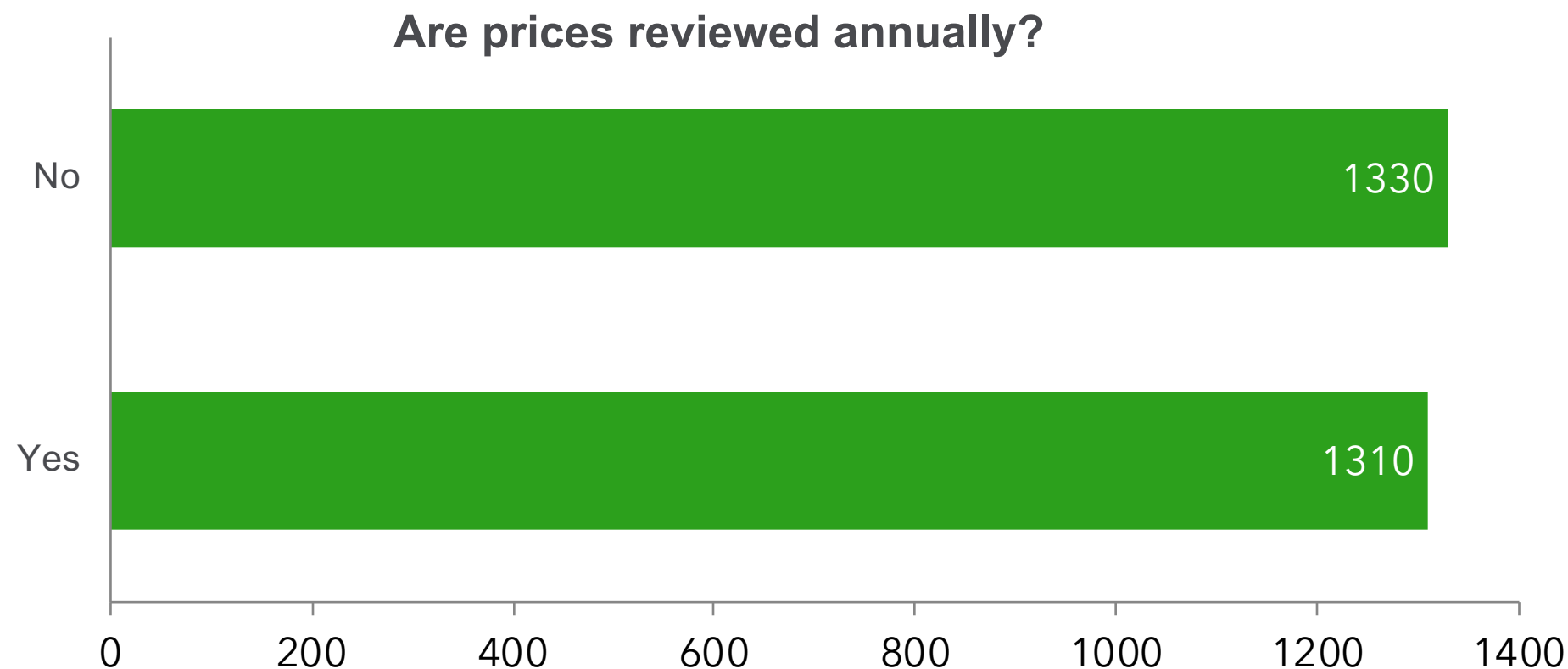
Source: How much do your competitors charge for bookkeeping, 2019

# What are the typical hourly rates?



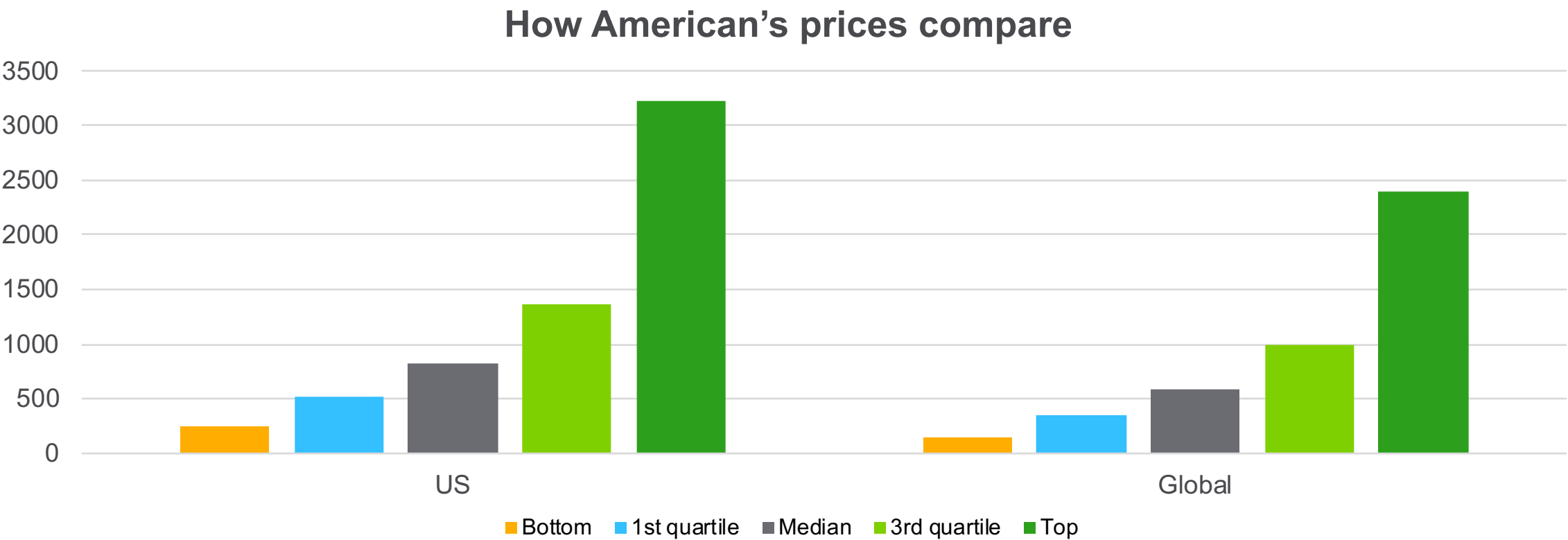
Source: How much do your competitors charge for bookkeeping, 2019

# Do you always review your prices for every client at least annually?



Source: How much do your competitors charge for bookkeeping, 2019

# How do American prices compare with the rest of the world?



Source: How much do your competitors charge for bookkeeping, 2019

# How do Americans price bookkeeping?

	US	Global population
Hourly rates		40.2%
Single fixed price		34.2%
Menu pricing		18.4%
Pricing system		7.2%

Source: How much do your competitors charge for bookkeeping, 2019

# How do Americans price bookkeeping?

	US	Global population
Hourly rates	25.5%	40.2%
Single fixed price	41.1%	34.2%
Menu pricing	23.0%	18.4%
Pricing system	10.3%	7.2%

Source: How much do your competitors charge for bookkeeping, 2019



**It was no surprise that we as a profession struggle with moving to value-based pricing from the old hourly model. We are still too focused on our own costs, rather than the true value of our services to our clients.**



Gabrielle Fontaine, BookkeepingDirect



# More key findings



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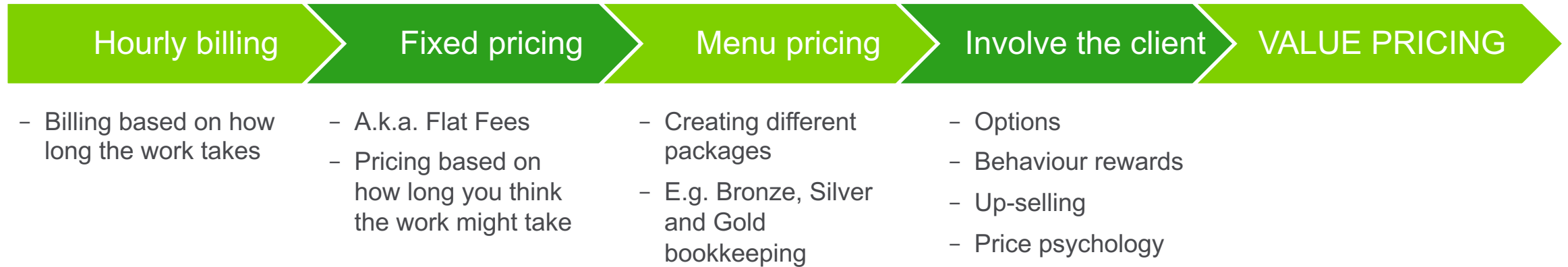
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# Exactly how to do it

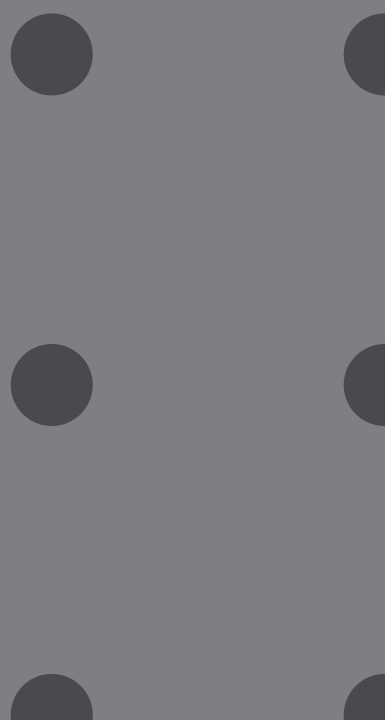
# Your pricing journey



HALF the journey is moving to fixed pricing: This is the single BIGGEST hurdle to overcome



# The questions you need to ask to determine SCOPE



# Number of transactions per month

Client	Number	Annual fee
A	10	960
B	10	1908
C	40	2772
D	75	4164
E	40	5892
F	100	4800
G	400	8316
H	200	7392
I	500	11376
J	57	1800



# Number of transactions per month



## Linear regression line

$$y = 17.558x + 2423.682$$

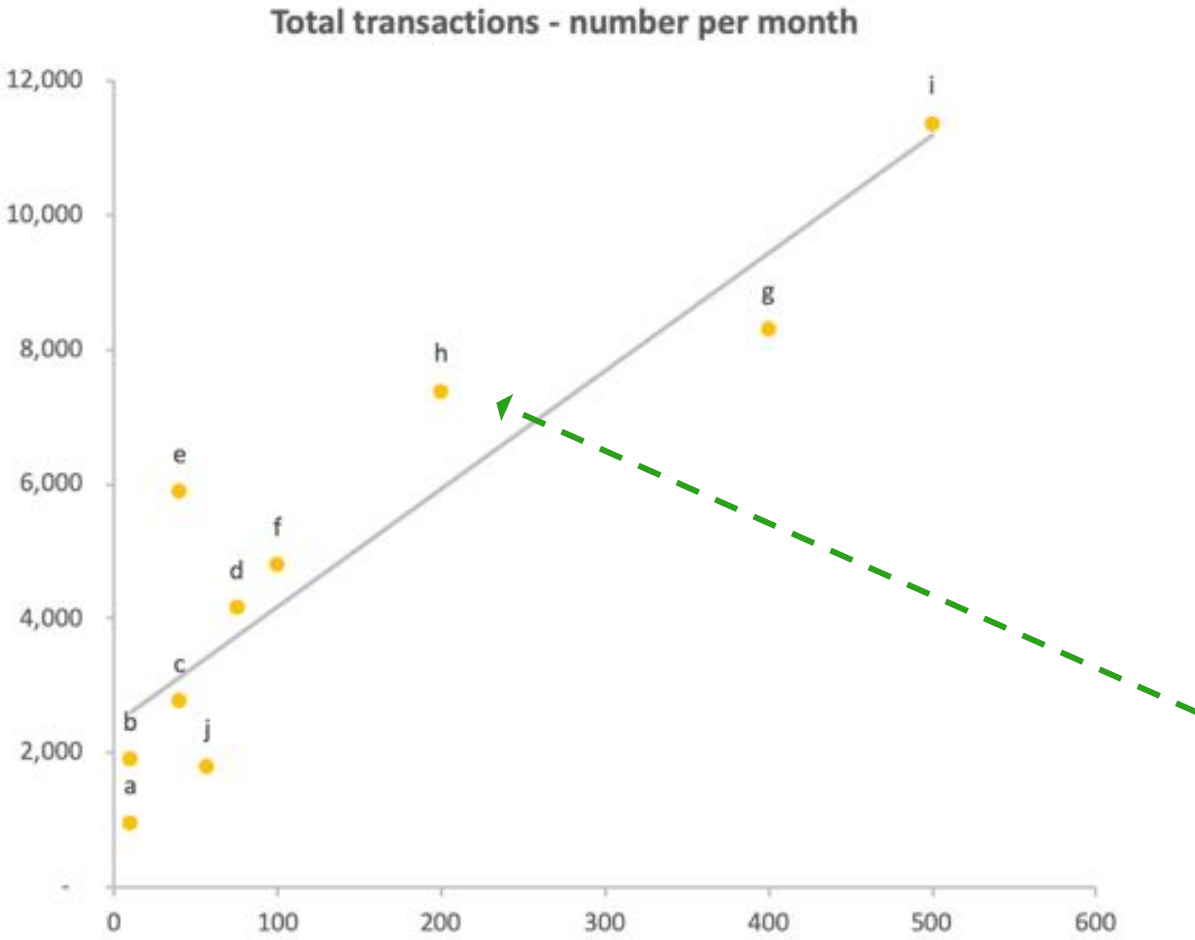
$$R^2 = 0.824$$

This equation explains 82.4% of the variation in fees

## Statistics

Slope	17.5580851
Intercept	2423.68222
R <sup>2</sup>	0.82416372
D <sub>f</sub>	8
Fdist	0.0%

# Next: Investigate the outliers



Why are we charging **client H** \$7,392 and not \$5,935?

# Secondary scope questions



Please rank the following scope factors in the order you believe they impact on your price



Chart 6: Factors affecting scope of work

# Next: Investigate the outliers



Why are we charging **client H** \$7,392 and not \$5,935?

**They have multiple bank accounts and foreign currency transactions**

**Consider adding 10% for multiple bank accounts and 10% for foreign currency transactions**



# Next: Investigate the outliers

Client	Client ref	Total transactions	Annual fee	Regression Formula	Difference			Possible reasons	Conclusion
					Statistical	Price	Percent		
John Smith	a	10	960	1,599	2.7%	(5,839)	-62%	It is a sole trader and not registered for sales tax	Consider reducing the price by 25% for a sole trader
Jane Doe	b	50	1,908	1,599	0.5%	(690)	-27%		
Fort Mason & Sons	c	40	2,772	1,526	0.1%	(154)	-11%		
Platinum Widgets Inc	d	75	4,164	1,741	0.2%	423	15%		
Big Brother LLC	e	40	1,892	1,526	7.7%	2,756	88%	They have multiple bank accounts and they are in construction	Consider adding 15% for being in the construction industry and 10% for additional bank accounts
Tullip, Page, Jones & Bonham	f	100	4,800	4,179	0.4%	621	15%		
Von Fleet Bros	g	400	8,336	9,447	1.3%	(5,130)	-12%	This is a restaurant business and there is no sales ledger	Consider reducing price by up to 15% for a cash-only business and 10% for a restaurant business
Sonia Hartzen	h	200	7,992	5,935	2.1%	1,457	25%	They have multiple bank accounts and foreign currency sales transactions	Consider adding 10% for additional bank accounts and 10% for foreign currency sales
Mucky Wolf LLC	i	500	11,876	11,088	0.0%	179	2%		
The Headin' Waters Co	j	57	1,800	1,634	2.6%	(5,624)	-47%	This client is on a desktop system, has foreign currency sales and multiple bank accounts	Consider adding 10% for being on desktop plus additional for foreign sales and multiple bank accounts

## Next: Investigate the outliers

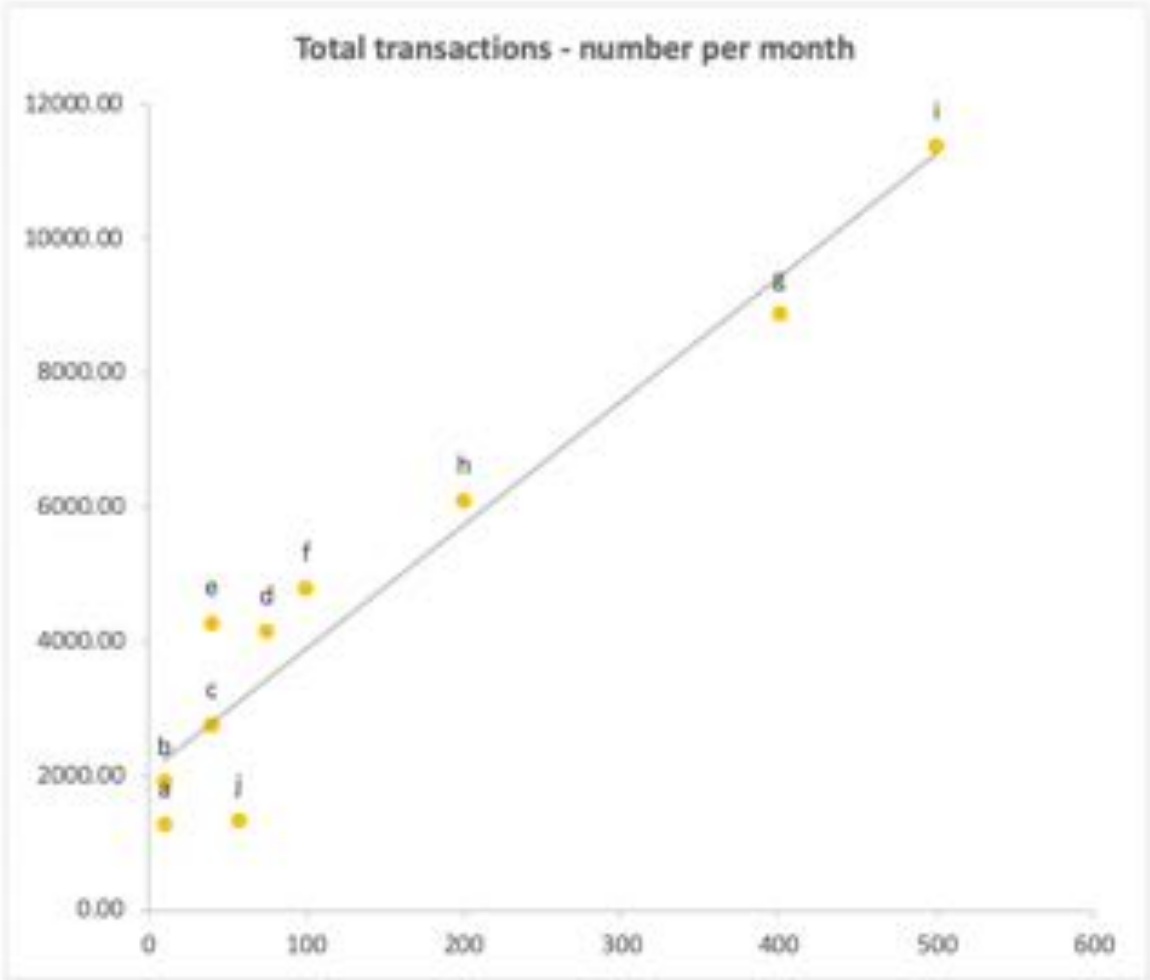
Secondary factor	Add/reduce	Multiplier
Sole trader	-25%	0.75
Additional bank accounts	10%	1.10
No sales ledger/cash only	-15%	0.85
Foreign currency sales	10%	1.10
Construction	25%	1.25
Desktop accounting system	10%	1.10
Restaurant	-10%	0.90
		1.00

# Next: Investigate the outliers

Client	Client ref	Sole trader	Additional bank accounts	No sales ledger/cash only	Foreign currency sales	Construction	Desktop accounting system	Restaurant
John Smith	a	Y						
Jane Doe	b							
Fort Mason & Sons	c							
Platinum Widgets Inc	d							
Big Brother LLC	e		Y			Y		
Tulip, Page, Jones & Bonham	f							
Von Fleet Bros	g			Y			Y	
Greta Herten	h		Y		Y			
Muddy Wolf LLC	i							
The Howlin Waters Co	j		Y		Y		Y	

Client	Client ref	Sole trader	Additional bank accounts	No sales ledger/cash only	Foreign currency sales	Construction	Desktop accounting system	Restaurant	Total multiplier
John Smith	a	0.75	1.00	1.00	1.00	1.00	1.00	1.00	0.750
Jane Doe	b	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000
Fort Mason & Sons	c	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000
Platinum Widgets Inc	d	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000
Big Brother LLC	e	1.00	1.10	1.00	1.00	1.25	1.00	1.00	1.375
Tulip, Page, Jones & Bonham	f	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000
Von Fleet Bros	g	1.00	1.00	0.85	1.00	1.00	1.10	1.00	0.935
Greta Herten	h	1.00	1.10	1.00	1.10	1.00	1.00	1.00	1.210
Muddy Wolf LLC	i	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.000
The Howlin Waters Co	j	1.00	1.10	1.00	1.10	1.00	1.10	1.00	1.331

# Next: Investigate the outliers



Linear regression line

$y = 18.446x + 2052.532$

$R^2 = 0.918$

This equation explains 91.8% of the variation in fees

# Done for you analysis

## Scenario 6

How much would you expect to charge PER MONTH for bookkeeping work for a client with the following characteristics: They have 100 transactions on average each month. They are a corporate entity running an engineering business. They are registered for sales tax, have 2 bank accounts (one a trading/checking account and the other a savings account).

The highest and lowest prices recorded were \$2000 and \$96 respectively.

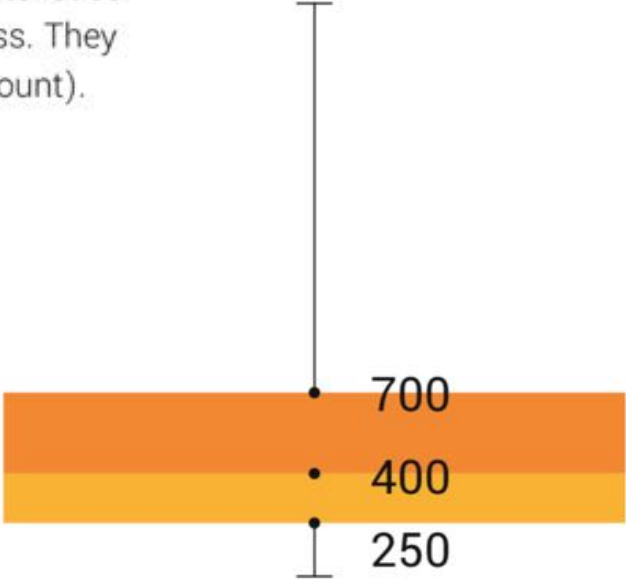
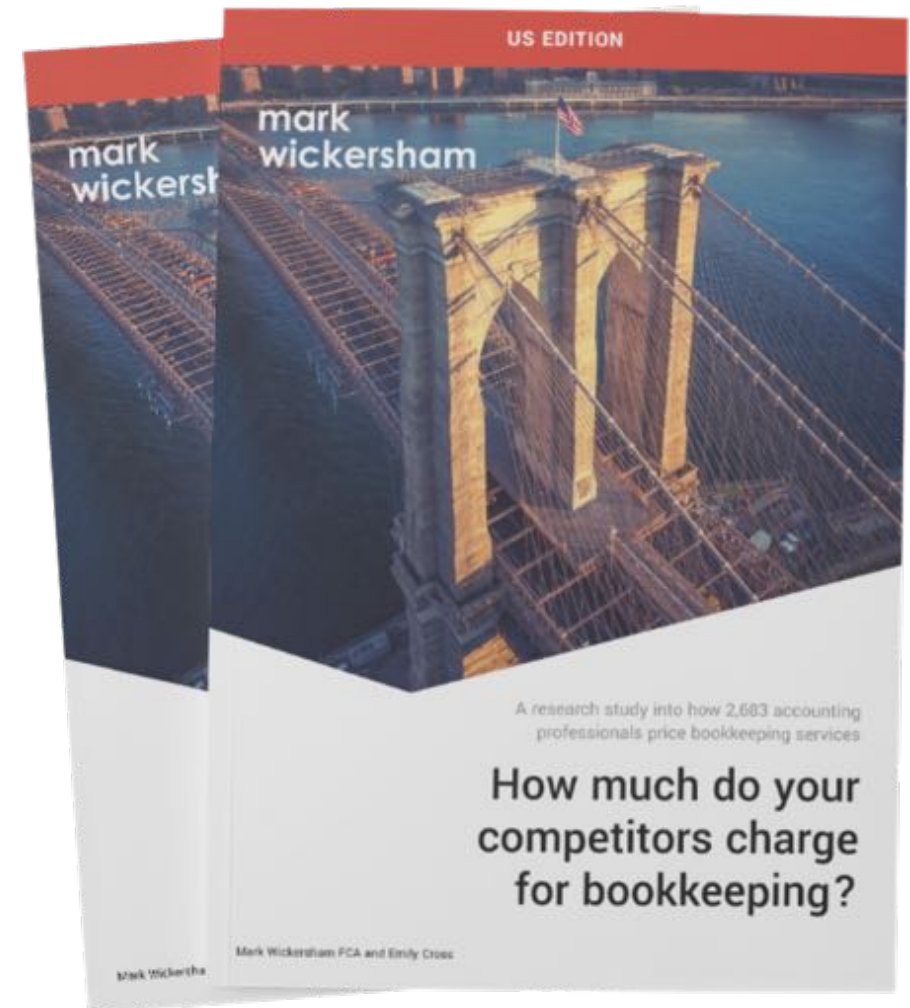


Chart 50: Scenario price 6



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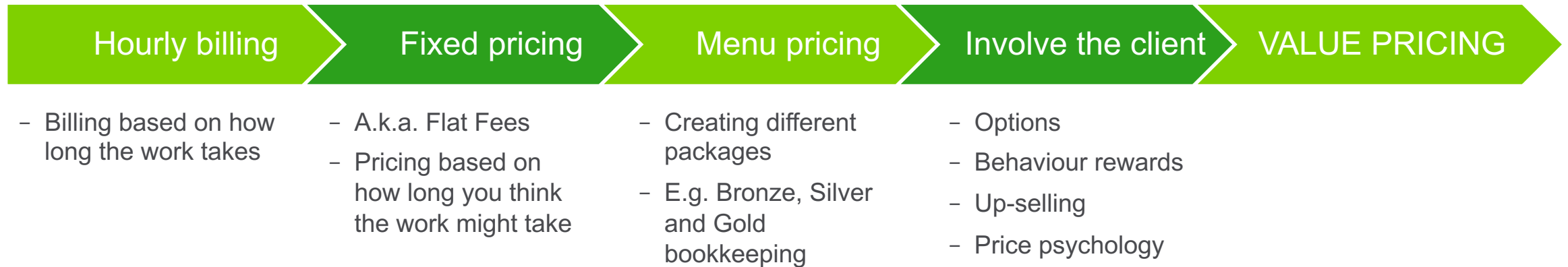


# Your journey from fixed pricing to VALUE PRICING





# Your pricing journey



HALF the journey is moving to fixed pricing: This is the single BIGGEST hurdle to overcome

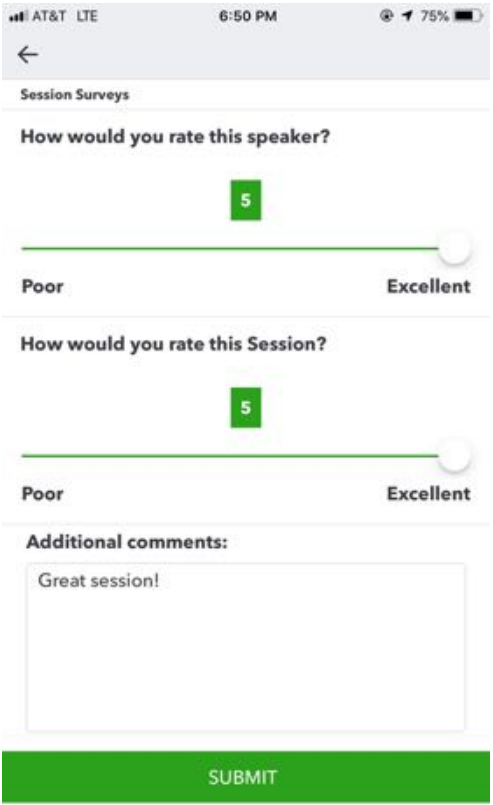
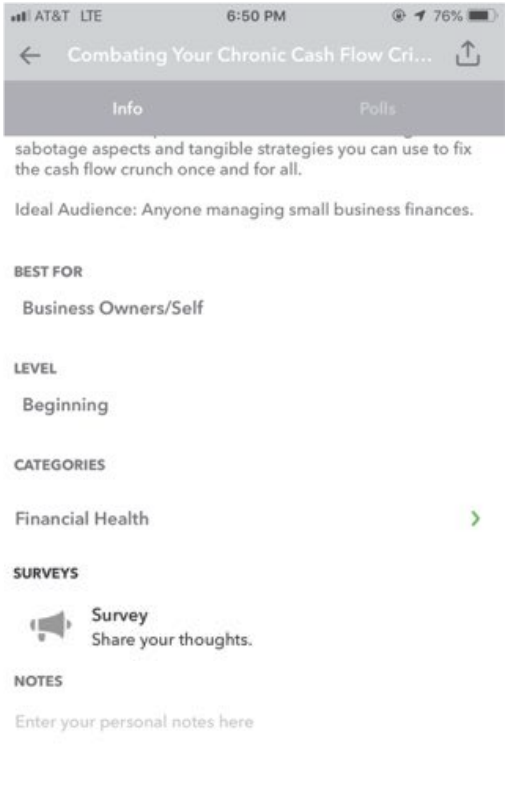
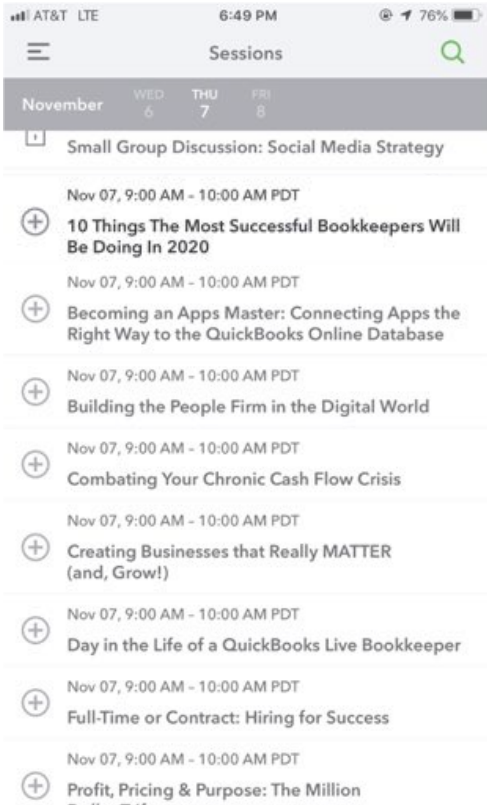
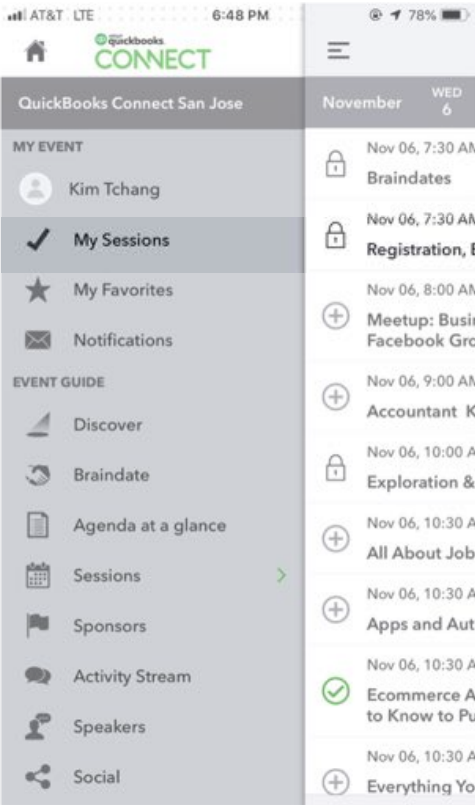


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The screenshot shows the QuickBooks Connect agenda page for November 7. The header includes the QuickBooks Connect logo, navigation links (Why Attend, Agenda, Speakers, Pricing, Sponsors, Travel, FAQ), and a 'Register now' button. The date 'November 7' is highlighted, with 'November 6: Accountant Day' and 'November 8' also visible. A 'Print Agenda' link is in the top right. Below the header, a paragraph describes the event: 'Get new insights from experts in business growth, organizational culture, financial health, technology and life skills. Book a Braindate with peers and expert consultant for one-on-one learning. Unwind in the evening with our legendary celebration.' A search bar labeled 'Search for sessions' is present. Below the search bar are filter buttons: 'Business Growth', 'Life & Business Skills', 'Organizational Culture', 'Technology Training', 'Advisory', and 'Financial Health', followed by an 'Expand all +' link. The agenda list shows sessions for November 7. The first session is 'Registration, Breakfast & Exploration' from 7:30-7:00 am. The second is 'Braindates' from 7:30-10:30 am, with a description: 'New this year, you can use Braindates to book time with fellow attendees, expert consultants and the QuickBooks support team. [Learn more](#)'. It also notes 'Best for: All Audiences' and 'CPE Hours: not eligible'. The third session is 'Yoga' from 8:00-8:30 am. The fourth is 'Breakout Sessions' from 8:00-8:45 am, which includes four sub-sessions: 'Small Business Meetup: Relationship Marketing and the Power of Human Connection', 'Small Group Discussion: Social Media Strategy', 'Small Group Discussion: Showing up - Why What You Wear Matters', and 'Small Group Discussion: Build Your Dream Bookkeeping firm'. Each session has a '+' icon to its right for more information.



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