

# How to Determine Pricing for Coaching, Courses, and Services by the Hour: A Thought Process Checklist

## Step 1: Define Your Goals

Before you set a price, you need to know what you're working toward. Ask yourself:

- **What is my income goal?** Determine how much you want to earn annually. Be realistic but ambitious. This number is your north star.
- **How many hours can I work?** Coaching, creating courses, and providing services takes energy. Factor in your availability while allowing time for personal development, administrative tasks, and downtime.
- **What lifestyle do I want?** Are you aiming for freedom to travel, more family time, or the ability to reinvest in your business? Your pricing should align with your ideal work-life balance.

*Pro Tip:* Break down your income goal into monthly, weekly, and daily targets. For example, if your goal is \$100,000 a year, you'll need to make about \$8,333 per month or roughly \$416 per workday (assuming 20 working days a month).

## Step 2: Assess Your Value

Clients don't just pay for your time—they pay for the results you deliver. To assess your value, consider:

- **What results can I guarantee?** Results drive value. Can you help clients boost revenue, save time, or gain clarity? Quantify these outcomes whenever possible.
- **What's my experience level?** Your years of experience, certifications, and specialized knowledge justify higher rates.
- **What is my unique selling proposition (USP)?** Do you have a niche skill or perspective that sets you apart? Lean into it when pricing.

Don't undervalue yourself by thinking, "I'm just starting." Even if you're new to a particular service, your background and transferable skills carry weight.



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### Step 3: Know Your Market

Understanding your industry and competition helps you position yourself strategically. Research:

- **What are others charging?** Look at competitors in your niche. If their experience and results are similar to yours, use their rates as a benchmark.
- **What can my audience afford?** Pricing should fit your target market's budget. If your ideal clients can't afford high-end rates, offer tiered services to accommodate them.
- **Is there a demand for my expertise?** If you specialize in a high-demand field, you can justify premium pricing.

*Pro Tip:* Competitor analysis isn't about copying others—it's about understanding where you fit in the market and how you can add value.

### Step 4: Calculate Your Costs

Your pricing should reflect not only your income goals but also the costs of running your business. Calculate:

- **Business expenses:** Software, marketing, website hosting, professional development, and tools all eat into your earnings.
- **Taxes and fees:** Factor in taxes (self-employment, income, and sales tax) and platform fees if applicable.
- **Time spent on non-billable tasks:** Marketing, invoicing, and admin tasks are essential but unpaid. Account for these when setting rates.

For instance, if you plan to work 30 billable hours per week but spend 10 hours on admin tasks, base your hourly rate on 30 hours, not 40.

### Step 5: Test Your Pricing

Once you've crunched the numbers, test your rates to see how they resonate with potential clients. Here's how:

- **Offer at least three tiers:** Provide basic, standard, and premium options. This anchors your pricing and gives clients flexibility.
- **Get feedback:** When quoting rates, ask clients for honest opinions. Do they find your rates reasonable? Too high? Too low?
- **Analyze conversion rates:** If your prices are too high, you may scare clients away. If they're too low, you'll attract bargain hunters who may not value your expertise.



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## Step 6: Adjust Based on Experience

Your pricing isn't set in stone. As you gain more clients, refine your offers, and improve your results, adjust your rates accordingly.

- **Annual review:** Revisit your pricing at least once a year to ensure it aligns with your goals, market trends, and skill level.
- **Demand-based increases:** If your schedule is fully booked, it's a sign that you're underpricing your services. Raise your rates to balance supply and demand.
- **Add value before raising prices:** If you feel hesitant about increasing rates, add bonuses like templates, guides, or extra sessions to justify the higher cost.

## Common Pricing Pitfalls to Avoid

- **Underpricing:** Many service providers fear losing clients by charging more. Remember, clients who value your work will pay what you're worth.
- **Overpricing without proof:** Charging premium rates without demonstrating your value can backfire. Build trust and credibility first.
- **Ignoring client feedback:** Don't ignore feedback about your pricing, but also don't let one negative comment dictate your strategy.

## Example: Pricing Coaching Services

Let's say you're a life coach aiming to make \$75,000 a year. You:

1. Estimate you'll work 48 weeks a year, 20 billable hours per week.
2. Need to earn \$1,563 per week to meet your goal ( $\$75,000 \div 48$  weeks).
3. Divide this by 20 billable hours, arriving at an hourly rate of \$78.15.

To round up, you might set your rate at \$80 per hour for one-on-one coaching. For group coaching, you could charge \$40 per person per hour, assuming four clients per session.

## Wrapping It Up

Determining your pricing is part science, part art. By following this checklist, you can create a pricing structure that reflects your value, aligns with your goals, and resonates with your audience. Remember, pricing isn't just about dollars—it's about the confidence you project in your skills and the transformation you provide.

Start small, test, and tweak as needed. And most importantly, don't be afraid to charge what you're worth. Your time and expertise are valuable—make sure your pricing reflects that.



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