

8 Weeks To Your Effortless Business

Get Paid Well

Week 4 Worksheets

Business Model

This is the secret sauce of turning what you do into a viable, sustainable business. Being paid well is the difference between scraping by and having capacity to provide excellent service and a good life for you, your family. and your staff.

Start with your business model. This is what you do, for whom, how you deliver it and what you charge for. The business model canvas is a great tool. <http://www.businessmodelgeneration.com/canvas>

If you can answer these questions and you are comfortable with the answers, you have a great business model.

Who are your most important customers?

What value do you provide? What customer problem are you solving?

What type of relationship works best for you and your customer? (one:one, automatic/asynchronous etc.?)

How do you deliver your service? (online, in person, their place or yours?)

What are the key activities required to deliver this service?

What key resources do you need? (for communication, value delivery, etc.?)

Who are your key partners?

What are the most important costs?

What are your revenue streams?

Pricing

One of the first things people ask is “How much?”. For several reasons:

1. They have an idea how much your service is worth to them and they want to know you are in the same ballpark as they are.
2. They don't know what else to ask. They don't know any other way to differentiate what you offer from what others offer, so they ask for price.
3. They want to know if you fit with them. If someone sees themselves as needing \$1000 coaching they won't work with a \$300 coach, because they won't perceive them as being good enough for them.

Your price is a shorthand way for people to figure out where you fit with regard to their needs. You choose your price based on how you perceive yourself to fit in with your perceived customers' needs. Problems arise when there is a mismatch between what you and your price say and what you deliver. Trying to deliver a quality product/service at a cut-rate price won't work. You will run out of time or money before you can deliver the promises you made.

What are your customers willing to pay?

What are they currently paying for similar or what does it cost them not to use your service?

Does your price cover all your costs?

Getting Paid

Accounts Receivable is a business practice like every other. That means there is a process that works and gets you the results you need. It has everything to do with expectations, a plan and execution.

The ideal is to be paid before you do the work or at the completion of your work. Regardless of your industry norms, you can negotiate whatever agreement suits both of you. I have clients who offer a better deal if they get paid before the work is started. It's worth it to them.

Here's what you need for an Effortless Accounts Receivable:

A script that is part of the *how much* conversation that includes when you will be paid.

“Based on these assumptions, your price is \$xxx.xx and is due the day we complete the work. We will work on your contract next Wednesday and anticipate completing the work by Friday. Will we pick up the cheque when we drop off your deliverables?”

You should have a clear statement of expectations on the estimate, quote, website and invoice.

“This estimate is calculated based on being paid at completion of the job. Please be prepared to transfer money to our account on 31 July and these are our banking details.”

Prepare a script for a phone call or a letter to go out the day a bill is not paid. The letter can be mailed (unusual, therefore remarkable these days) or emailed. You should be professional and mildly curious in tone.

“We enjoyed working on your project and we are proud of the results we obtained. That’s why we are wondering if there is a problem. We have done our part and the deal we made was that you would pay by today. Please let us know how you plan to keep up your end of this deal.”

Asking to be paid for the work you have done is professional and wise. It is not needy, bothersome or beneath you. It is the essential second half of the transaction. You have done the work and now they must pay you.