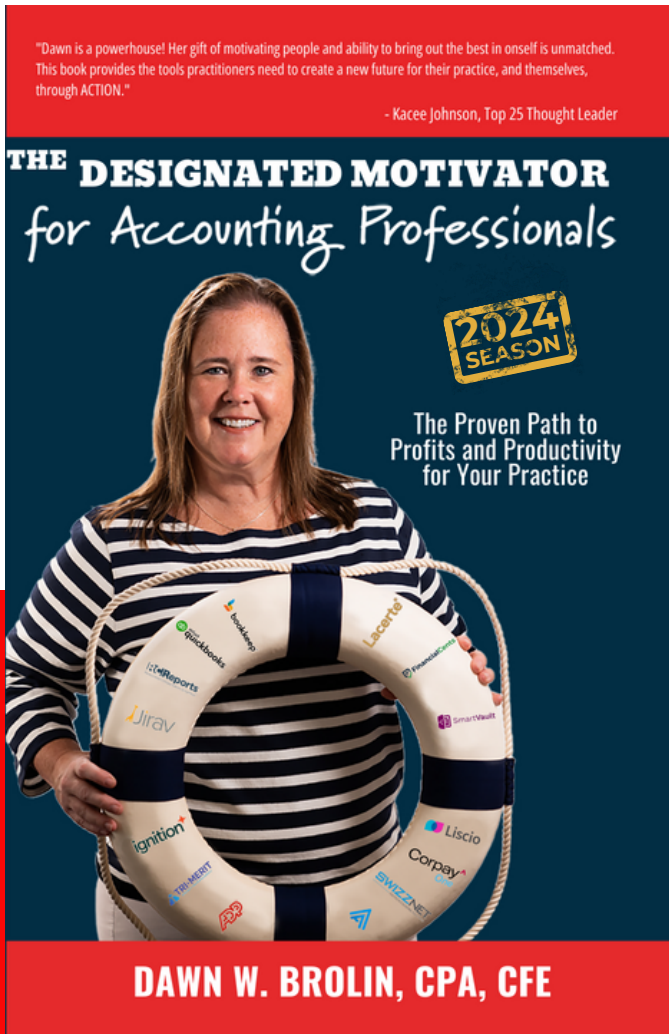




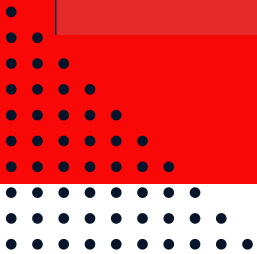
# TEAM Brolin

JOIN THE MOTIVATION MOVEMENT

## The Designated Motivator for Accounting Professionals



## PRICING STRATEGIES

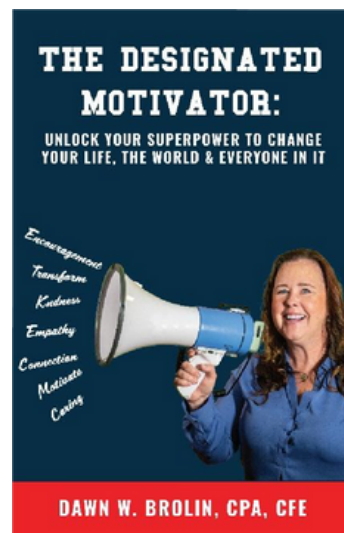
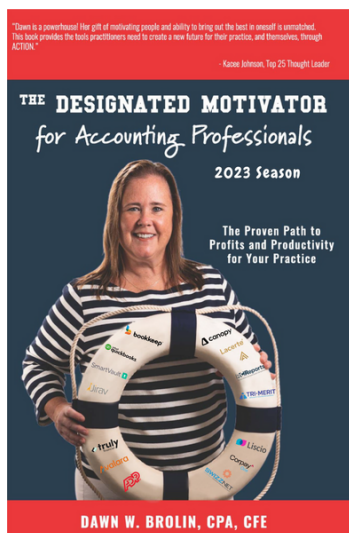




# Dawn Brolin, CPA, CFE

## The Designated Motivator

- Founder of Team Brolin and author of The Designated Motivator and The Designated Motivator for Accounting Professionals
- CEO of Connecticut-based firm, Powerful Accounting Inc.
- Member of the Intuit Tax Council
- Member of the ADP Accountant Advisory Board
- Member Avalara Advisory Board
- Insightful Accountant's 2020 Top Niche Practice ProAdvisor: Forensics as well as one of the "2018, 2019, 2020, and 2021 Top 100 Most Influential People in Accounting" ~ by Accounting Today.
- Host of the DM Disruption Podcast



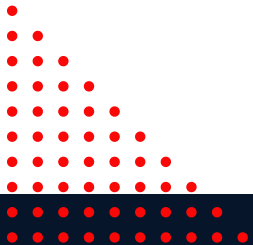


# The Brolin Approach to Advisory Practice Pricing

Pricing can be an excruciating process and have devastating results if it is not done carefully. I personally think we often make it harder than it needs to be.

Here's my take on revenue, pricing and profits and how I approach it for advisory services in my firm. The following pricing structure has worked wonderfully for me, I want you to see how I have been able to produce \$500,000 in 8 months with three billable people.

[ACCESS MY EMAIL & PRICING TEMPLATES](#)





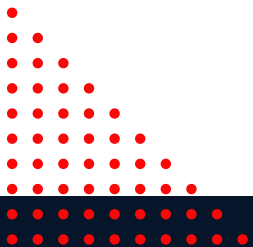
# Mindset Fundamentals for Your Relationship Pricing Transition

Are you sick of hammering out 1040s for clients who don't listen and don't seem to care?

It's time to elevate yourself and your practice and get paid what you are worth! In 2022, I began the first phase of moving towards relationship pricing and I refined the process last year. Now I want to help you do the same.

The reasons why I wanted to switch to relationship pricing were primarily for 1) cash flow consistency, and 2) to work with clients who would be committed to me as much as I am committed to them.

This workbook outlines the steps I took to move from compliance-based pricing to relationship pricing.





There are a some important things to note here which you will likely experience in the process:

- You may lose clients, but please remember that it will be ok if you do, because the clients you end up with will value you more and be the type of clients you want to work with.
- Make sure you are ready to handle objections, and that you come with the package that you believe that client belongs in.
- If you follow the steps I have outlined here, then you will end up with the clients you love to work with, who value what you do, while you make more money and work less.

Before we dive into the process I recommend for pricing your services and the specific steps that I have used, let's define what relationship pricing is for the purposes of this course.

If you are not familiar with Ron Baker's work in regard to value billing, relationship pricing and subscription models for accounting firms then definitely become acquainted with him. His book, Time's Up! Is excellent!



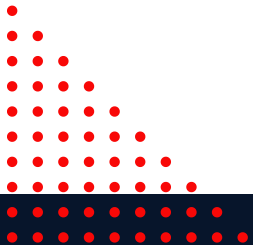


In a nutshell, here is Ron's take on pricing:

In hourly billing, pricing is made based on inputs. In fixed-fee pricing, the pricing is based on outputs. As a result, many accounting professionals still value volume and activity over the deep, meaningful transformations they can help clients make, which is why hourly billing and fixed-fee pricing are so common.

However, as a profession, we already help our clients do the things they want, such as build their businesses, retire sooner, and have a different lifestyle. We just are not accustomed to using the language describing how we help clients get from where they are to where they want to be. We typically don't use the language of transformation.

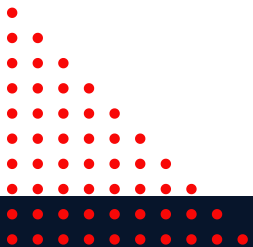
Now that the subscription economy is here, there is also a new business model - the subscription model. In this model, inputs, outputs, and the customer are no longer priced. **Instead, *the relationship is priced.* The subscription model is based entirely on *creating time savings, convenience and frictionless and recurring value for the client.***

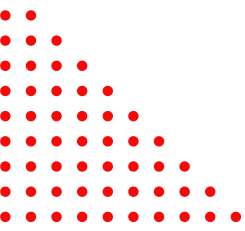




## Simplifying Relationship Pricing (Subscription Model) for Your Firm:

- I define a subscription pricing model as your clients pay a flat fee for the relationship they have with you by the month.
- Consider how many subscriptions your clients are already paying for in their lives. An example is Netflix. Your clients aren't paying Netflix by the movie they rent. They are paying for the ability to have access to Netflix, which offers them value with convenient, on-demand entertainment options at the level they choose to use them.
- Translated into accounting services, the "Netflix: model" means that if you charge clients for the service for the month of January, then everything that you do in January is included. On the flip side, sometimes there are months where there's not much to do, but you are still receiving revenue because of the totality of your client's relationship.





The bottom line here? Clients understand that we're trying to spread the cost of the services we're providing across a one-year commitment.

This is actually very similar to Netflix, as we noted above, because you pay a subscription. Like Netflix, where they don't charge you for the number of shows, but they charge you a subscription price for the entire month, so you can shut it off at any time.

The subscription pricing model for an accounting firm is different, though.

You cannot turn it on and turn it off when you feel like it like you do with Netflix, it's a one-year commitment.

If you turn it off, it's off, and you have to be mentally prepared for that. You have to be prepared that you may go through January, February, and March, and they pay their monthly fee, and then once their taxes are done, they want to shut it off in April or May.





This means that once we are done, we're done. And yes, you may lose some man-hours, you may lose the cost associated with preparing a tax return.

You have to realize that it's okay, there's still more work to come down the pike. If you lose some, you're going to still gain some.



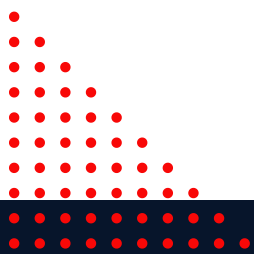
## **Before and After: The Benefits of Subscription Pricing for Accounting Firms**

In my firm, it took a few years to define and refine our definition and our model. We started in 2022 and now, heading into tax season 2024, I really feel like we have hit our stride with this approach from the operational, financial, and client relationship perspectives.

Even though we have refined our subscription model pricing, it's still a work in process.

This is normal.

As you begin or continue this process some things will be great and others will require some massaging. You may need to re-evaluate things over time such as: how you charge (weekly or monthly), what services you perform vs. outsource. I don't perform everything but I align myself with others who do it best.

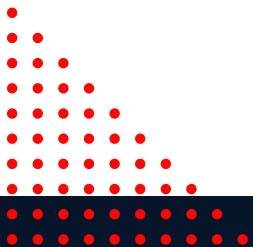




For example if my client needs a lawyer, the client needs to understand that they will pay separately for that service. One of the most important things you can do to set yourself up for success is to communicate very clearly to your clients on the terms of your subscription and what it includes.

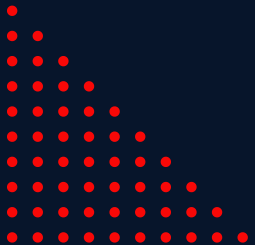
## **Before and After: The Benefits of Subscription Pricing for Accounting Firms**

<b>Before Subscription Pricing:</b>	<b>After Subscription Pricing:</b>
Serving all clients in different ways.	Serving select clients in systematic ways
Billing hourly for work completed	Billing monthly or annually
Fluctuating cash flow	Consistent cash flow
Nickel and diming clients	Clients who value what you do
Being all things to all clients	Specializing in services you excel in





# A 7-Step Approach to Relationship Pricing





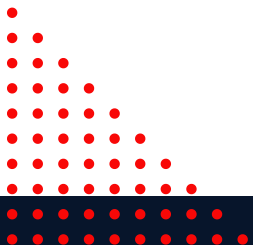
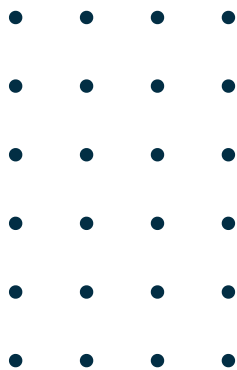
## Step 1: Determine Your Revenue Goals

Factor in what you want to make, the cost associated with your firm, and reverse engineer what you need to make in order to accomplish these goals.

My desired revenue is:

Costs of running the firm:

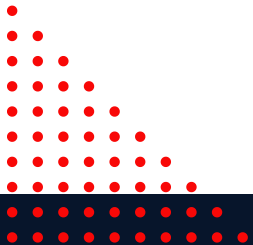
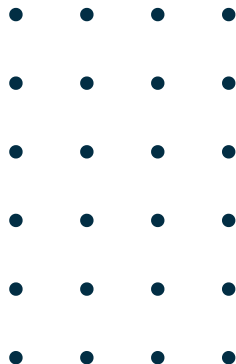
Revenue desired/needed to create \$X profits:





## Step 2: Choose Your Clients

Create your “friendlies” list (write down 3 or 4 just to get started):



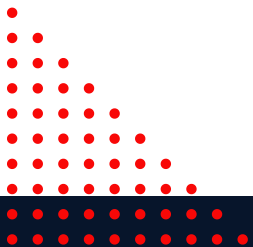


## Step 3: Define Your Ideal Clients

Finalize your client list and tell them that you are changing your business model.

It is very important to make it clear to your team and clients that this is a change that you are making for the betterment of your firm and client relationships.

Write down the benefits of this change and what type of clients you can best serve.





## Step 4: Determine Prices

It is important that clients understand that we're trying to spread the cost of the services we're providing across a one-year commitment. Check out the pricing template [here](#) to get started.

2024 Subscription Pricing Plans .XLSX

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	A	B	C	D	E	F	G
1	Confirmed Plans		Annual Total	Monthly			
2							
3	Client 1	12,537.50	150,450.00	12,537.50	Monthly Meetings	See Attached	
4	Client 2	6,500.00	78,000.00	6,500.00	Monthly Meetings	See Attached	
5	Client 3	2,500.00	30,000.00	2,500.00	Weekly meetings		
6	Client 4	2,500.00	30,000.00	2,500.00	Monthly Meetings		
7	Client 5	2,500.00	30,000.00	2,500.00	Quarterly Meetings		
8	Client 6	2,500.00	30,000.00	2,500.00	Monthly Meetings		
9	Client 7	2,000.00	24,000.00	2,000.00	Monthly Meetings		
10	Client 8	1,500.00	18,000.00	1,500.00	Quarterly Meetings		
11	Client 9	1,500.00	18,000.00	1,500.00	Quarterly Meetings		
12	Client 10	1,500.00	18,000.00	1,500.00	Quarterly Meetings		
13	Client 11	750.00	9,000.00	750.00	Quarterly Meetings		
14	Client 12	750.00	9,000.00	750.00	Quarterly Meetings		
15	Client 13	750.00	9,000.00	750.00	Quarterly Meetings		
16	Client 14	750.00	9,000.00	750.00	Quarterly Meetings		
17	Client 15	750.00	9,000.00	750.00	Quarterly Meetings		
18	Client 16	750.00	9,000.00	750.00	Quarterly Meetings		
19							
20	Client 17	500.00	6,000.00	500.00	1 tax planning a year		
21	Client 18	500.00	6,000.00	500.00	2 tax plannings a year		
22	Client 19	400.00	4,800.00	400.00	2 tax plannings a year		
23	Client 20	300.00	3,600.00	300.00	Return only		
24	Client 21	250.00	3,000.00	250.00	Bookkeeping plus return (easy 990)		
25							
26	Bookkeeping ONLY Fees						
27	Client 3	1,750.00	91,000.00	7,583.33	Weekly meetings		
28							
29			Monthly	49,570.83			

Summary Client 1 Client 2 Client 3





## Step 5: Present Your Prices

Define services for each client type so you can deliver value via relationship pricing.

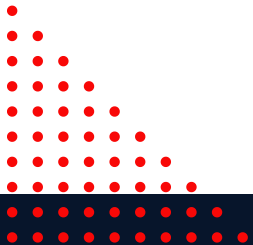
For each client type, determine the services and the type of investment in labor and other expenses they require.



## Step 6: Reassess Your Pricing

**Periodically reassess your relationship with clients.**

- Evaluate how things are being done
- Talk to clients and find out if they think the money is worth the service.
- You're going to win some and you're going to lose some.





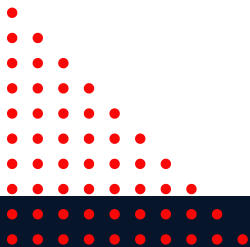
## Step 7: Communicate Clearly

As I mentioned previously, one of the most important things that will help you be successful with relationship and subscription pricing is being clear and consistent with your clients. Use the email templates lined in the appendix of this workbook to help you craft the right messaging for your firm's messages to clients.

- Be upfront about relationship pricing with new clients.
- Set expectations for the relationship and the pricing upfront.
- This helps to make the client experience outstanding.

### **Be Prepared for Clients Challenging You**

- Discrepancies or a challenge from a client, happen fairly often.
- Facing conflict with clients face-to-face is important.
- Pick up the phone and call them to see what is going on.
- It's usually not an issue with a notice that came in the mail, it is something else





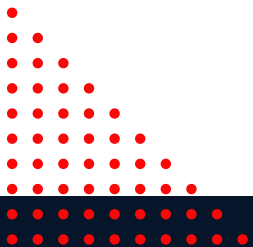
## Getting ready for tax season 2024

Set up your meetings with your clients, and be prepared to sit down and talk with them about the change in your business model. I strongly encourage you to invest this time even during tax season.

## Communicate the New Pricing Model

Changing the way you work with clients is key, but how you communicate these changes is critical. After our initial phone conversation we sent a follow-up email with the pricing structure for each entity type.

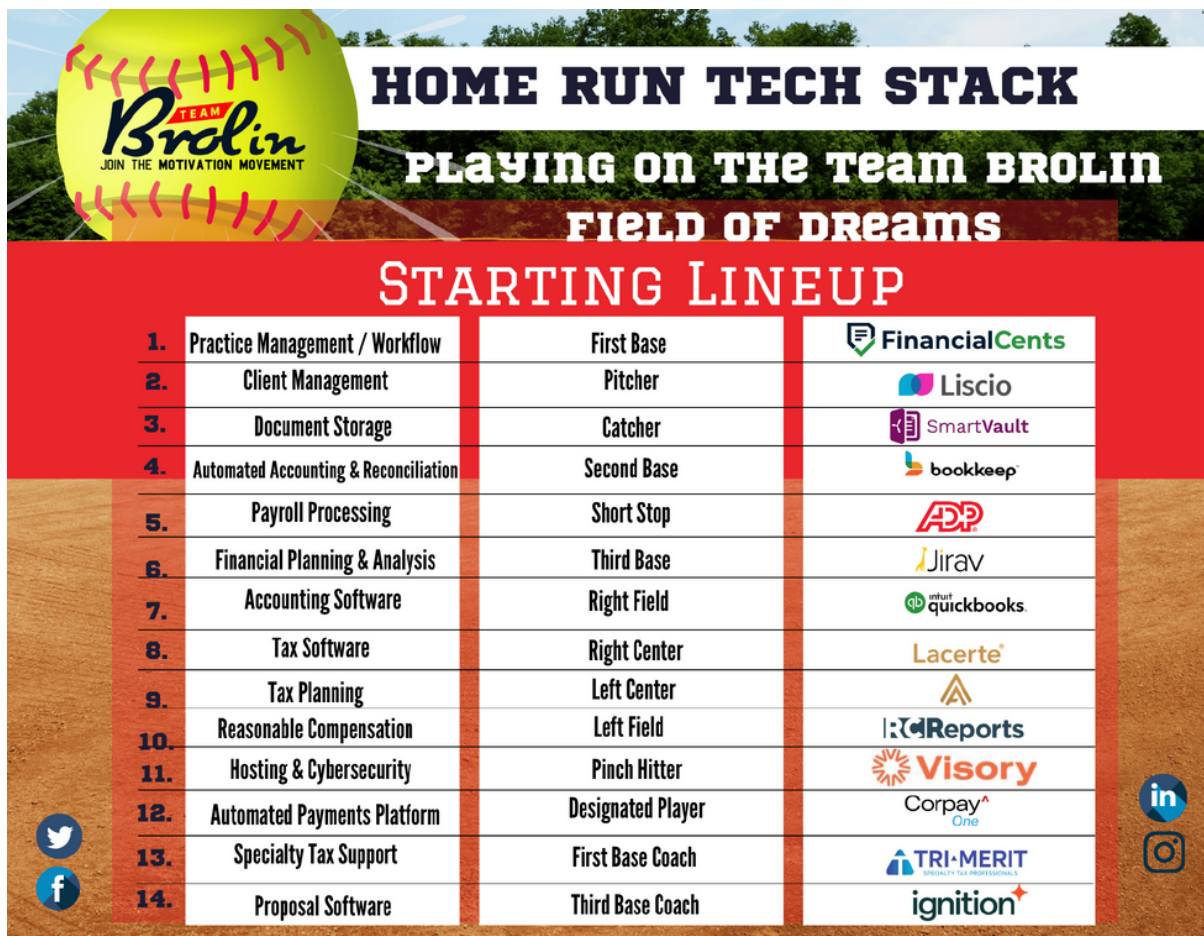
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## Using Technology to Create Even More Efficiency

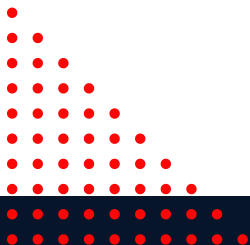
Consider creating the tech stack necessary to provide your services in the most efficient way possible. Here is an example of the tech I use:



**HOME RUN TECH STACK**  
**PLAYING ON THE TEAM BROLIN**  
**FIELD OF DREAMS**  
**STARTING LINEUP**

1.	Practice Management / Workflow	First Base	
2.	Client Management	Pitcher	
3.	Document Storage	Catcher	
4.	Automated Accounting & Reconciliation	Second Base	
5.	Payroll Processing	Short Stop	
6.	Financial Planning & Analysis	Third Base	
7.	Accounting Software	Right Field	
8.	Tax Software	Right Center	
9.	Tax Planning	Left Center	
10.	Reasonable Compensation	Left Field	
11.	Hosting & Cybersecurity	Pinch Hitter	
12.	Automated Payments Platform	Designated Player	
13.	Specialty Tax Support	First Base Coach	
14.	Proposal Software	Third Base Coach	





## Using Technology to Create Even More Efficiency

Now you can use the template below to create your own efficient tech stack:

### HOME RUN TECH STACK

### STARTING LINEUP

<b>1.</b>	Practice Management / Workflow	First Base	
<b>2.</b>	Client Management	Pitcher	
<b>3.</b>	Document Storage	Catcher	
<b>4.</b>	Automated Accounting & Reconciliation	Second Base	
<b>5.</b>	Payroll Processing	Short Stop	
<b>6.</b>	Financial Planning & Analysis	Third Base	
<b>7.</b>	Accounting Software	Right Field	
<b>8.</b>	Tax Software	Right Center	
<b>9.</b>	Tax Planning	Left Center	
<b>10.</b>	Reasonable Compensation	Left Field	
<b>11.</b>	Hosting & Cybersecurity	Pinch Hitter	
<b>12.</b>	Automated Payments Platform	Designated Player	
<b>13.</b>	Specialty Tax Support	First Base Coach	
<b>14.</b>	Proposal Software	Third Base Coach	

