

Maximizing Your Service Fees and Pricing

Presentation for: Service
Strategies

October 8, 2008

Mike Schultz

President,
Wellesley Hills Group

Publisher,
RainToday.com



WELLESLEY HILLS GROUP

Mike Schultz, President, Wellesley Hills Group



WELLESLEY HILLS GROUP

Mike Schultz is world-renowned as a consultant and expert in services marketing and rainmaking.

His practice focuses on strategy for service and technology businesses in the areas of branding, marketing, lead generation, and sales performance. Mike is also the Publisher of RainToday.com.

He delivers over 40 speeches a year at major conferences for such organizations as MarketingSherpa, Business Marketing Association, Legal Marketing Association.

Over 60 publications have featured Mike's work, including his research with RainToday. Mike has a forthcoming book with John Wiley & Sons on professional services marketing due out in 2009.

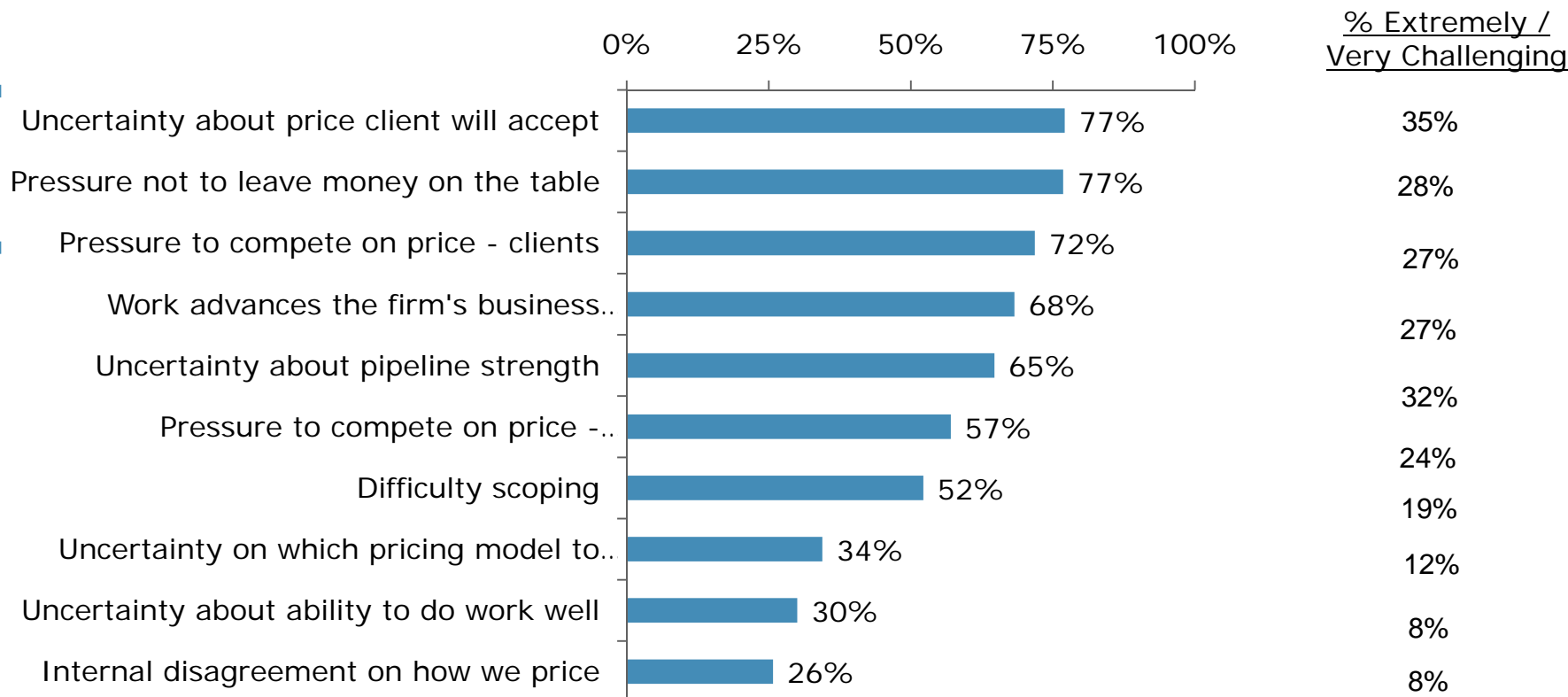
Mike is an avid fly fisherman and teaches Kokondo Karate and Jukido Jujitsu.



WELLESLEY HILLS GROUP

Top Pricing Challenges Focus on Value

Figure 3.1
Challenges in Pricing Decisions
% Finding Each Factor at Least “Somewhat Challenging”



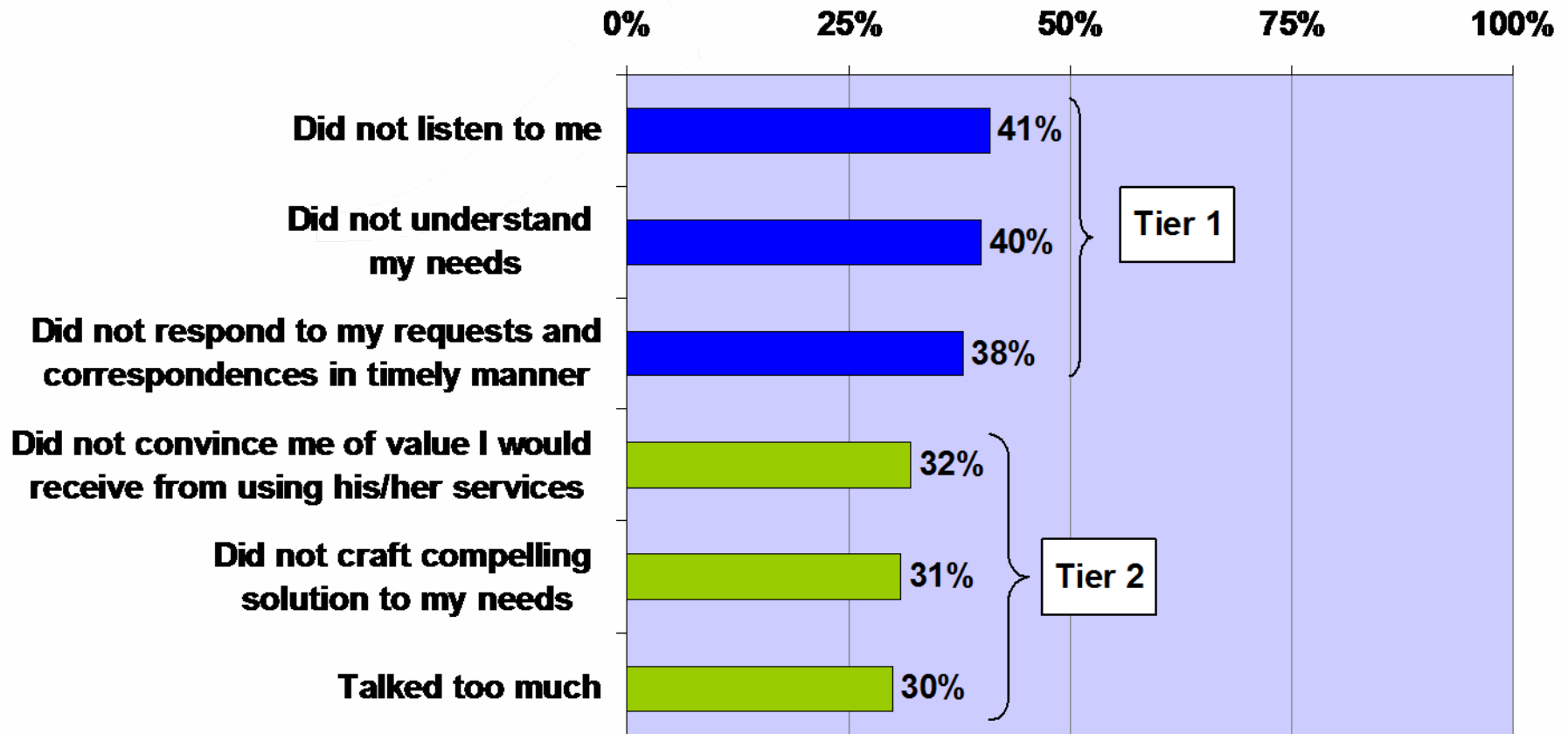
N = 703



WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

Clients Report Professionals Not Selling the Value



Source: *How Clients Buy – The Benchmark Report on Marketing and Selling Professional Services From the Client Perspective.* www.raintoday.com



WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

Discounting and Underlying Fee Structure

"We are firm on fees and never discount."

~ Respondent, *Fees & Pricing Benchmark Report 2008*

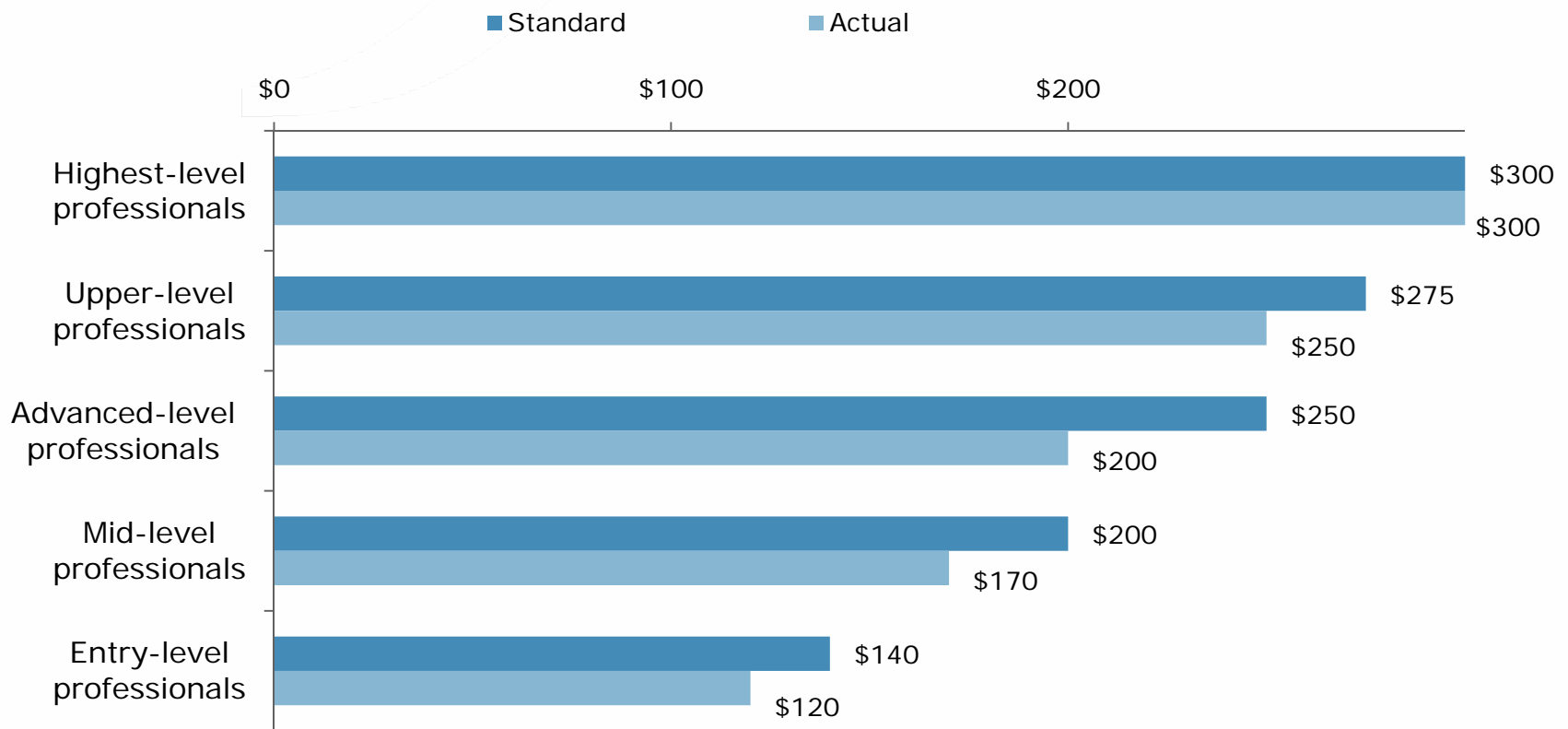
59% of firms reporting "we discount"

- 65% of consulting firms discount their fees
- Average discount 11.7%
- Premium-price firms discount less often (55%) vs. (71%, 68%)
- Most profitable firms (over 25% EBITDA) discount the least (49%)
- Retainers and fixed fee used equally, premium price and profit leaders share underlying data less often



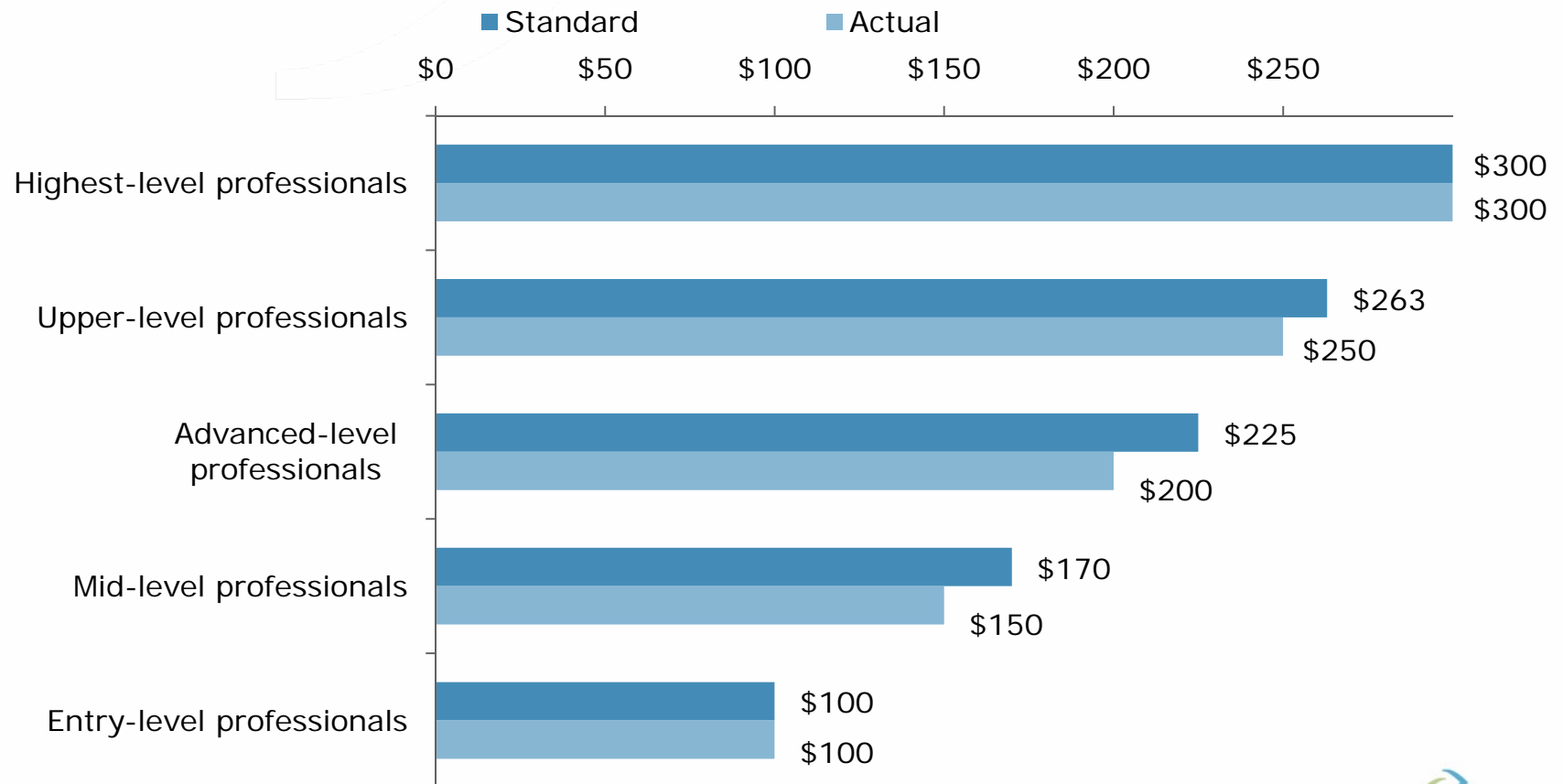
Discounting and Underlying Fee Structure

Figure 3.8
**Median Hourly Billable Rates for
Strategy and Management Consulting Firms:
Standard/Published vs. Actual/Realized Rates**
(USD)



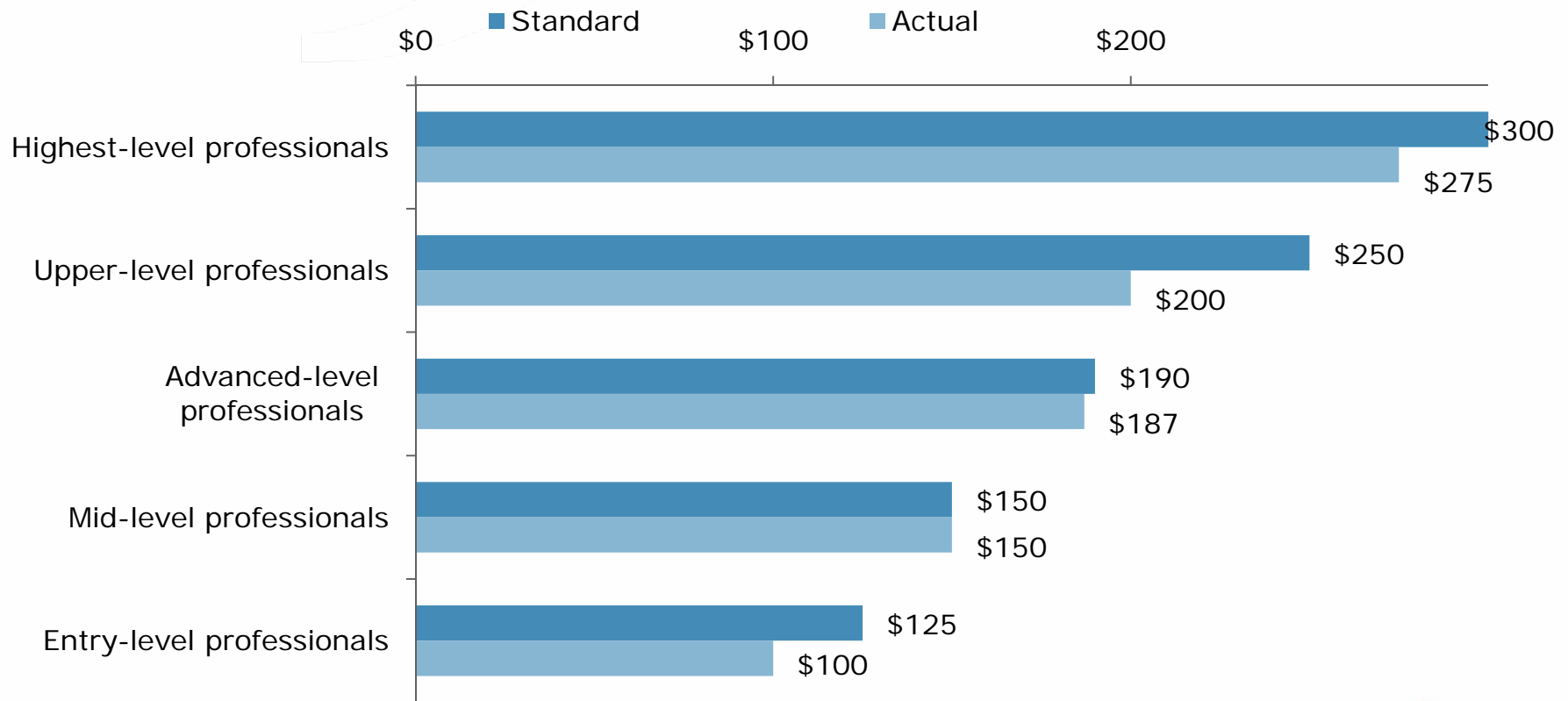
Discounting and Underlying Fee Structure

Figure 3.9
**Median Hourly Billable Rates for
HR and OD Consulting and Training Firms:
Standard/Published vs. Actual/Realized Rates
(USD)**



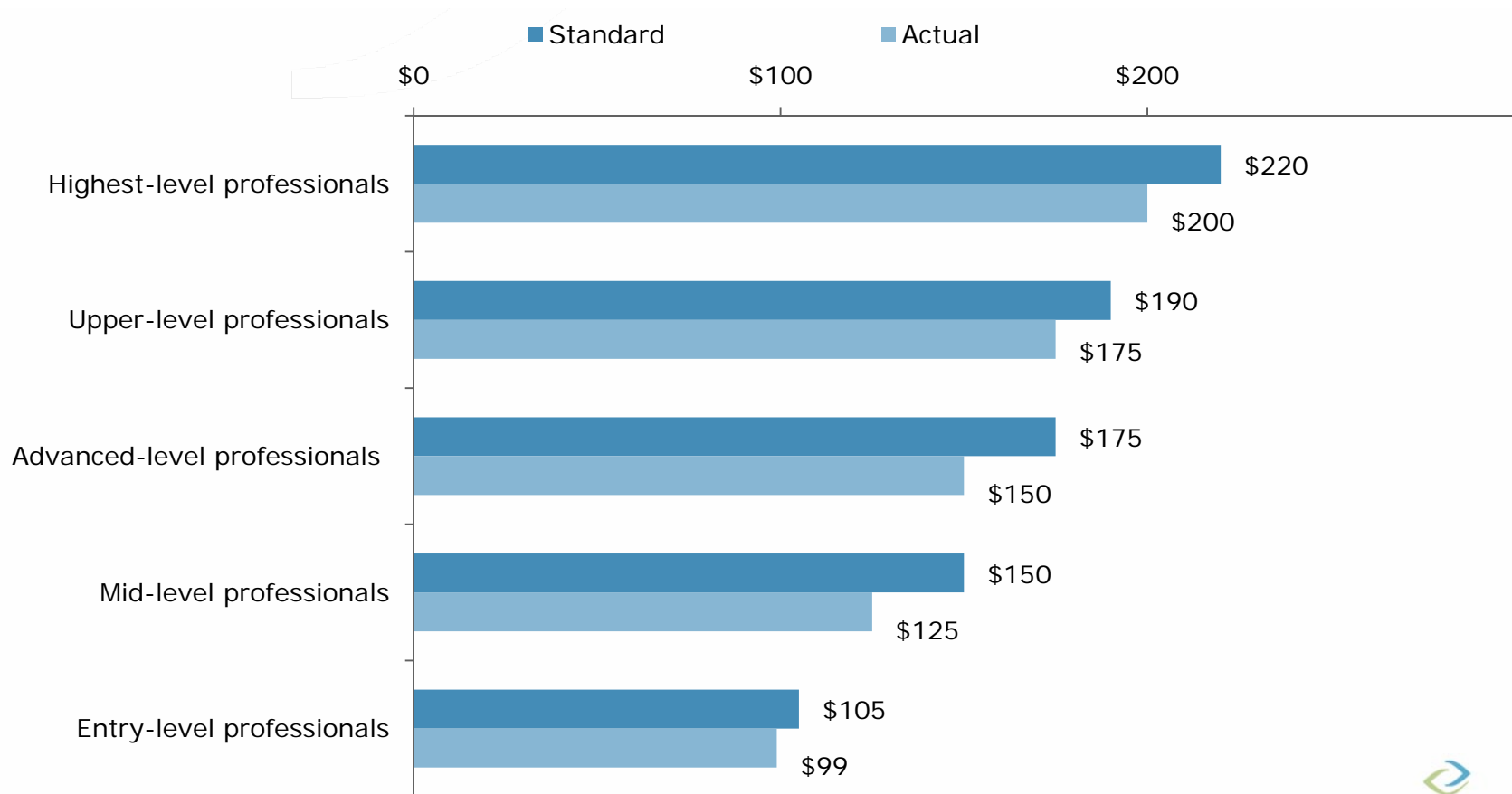
Discounting and Underlying Fee Structure

Figure 3.10
**Median Hourly Billable Rates for
Operations Consulting Firms:
Standard/Published vs. Actual/Realized Rates
(USD)**



Discounting and Underlying Fee Structure

Figure 3.11
**Median Hourly Billable Rates for
IT Services and Consulting Firms:
Standard/Published vs. Actual/Realized Rates
(USD)**



How Firms Find Competitor Pricing

Figure 3.14
How Firms Acquire Competitor Pricing



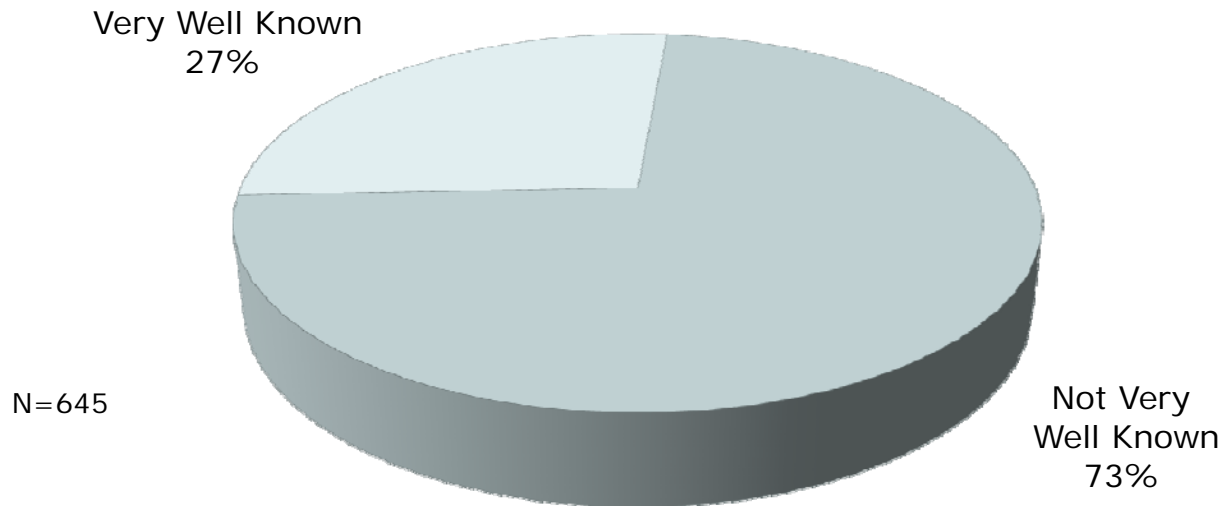
Client's View Us As Commodities!



Reputation and Brand

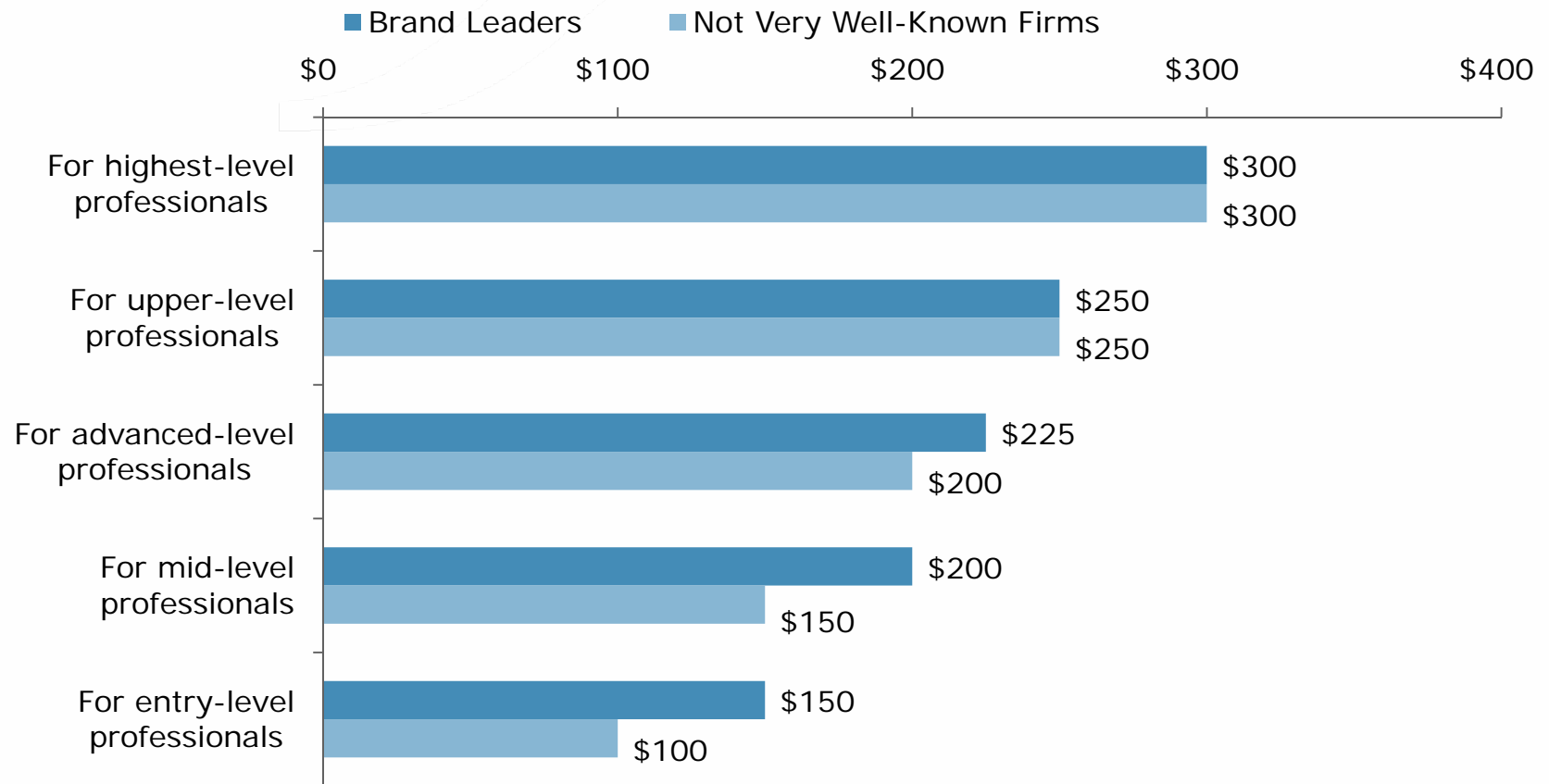
We asked respondents to describe their company's reputation reach as either "very well known" (brand leaders) or "not very well known" in their target market.

Figure 6.1
Reputation Reach



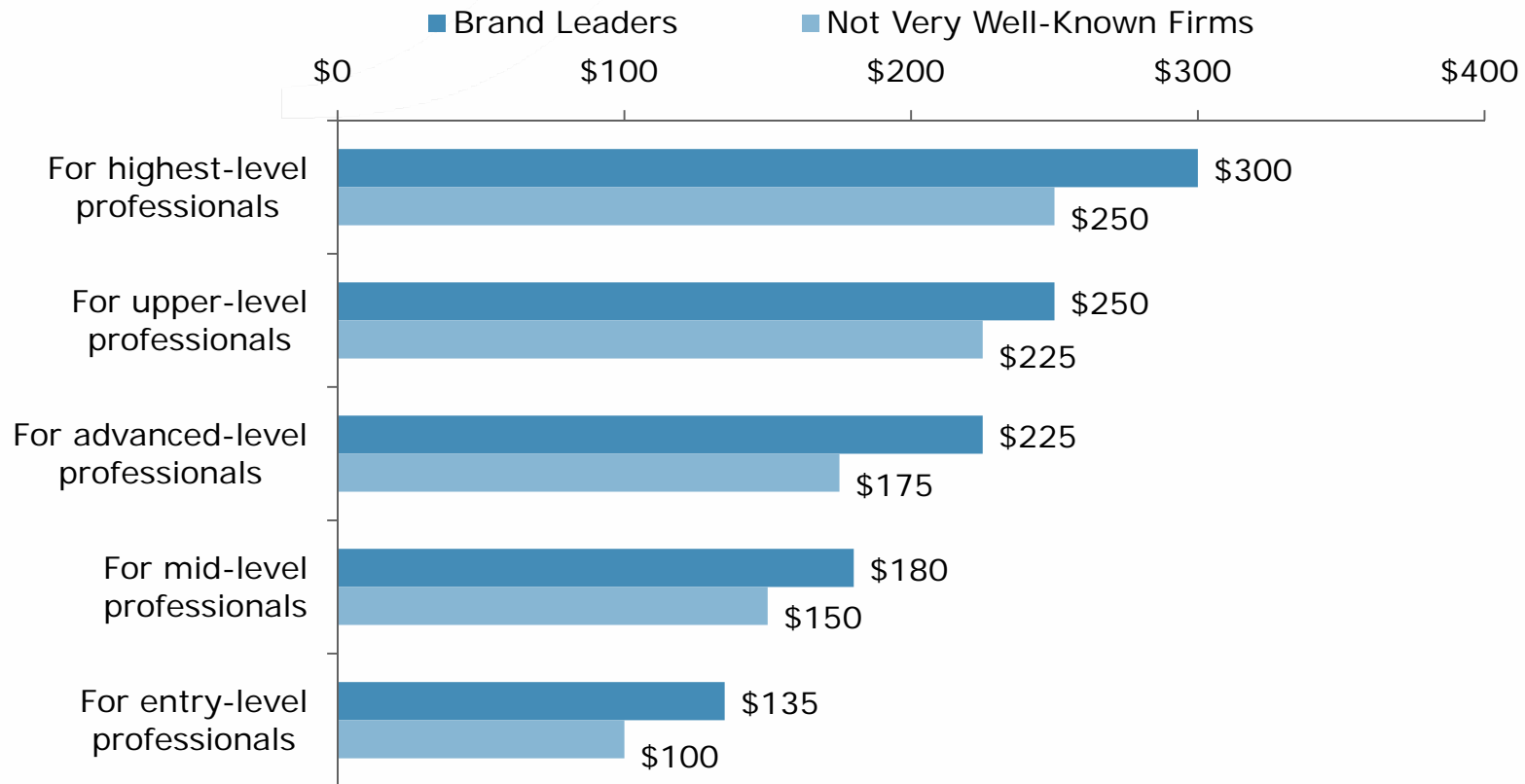
Do Brand Leaders Realize Higher Fees?

Figure 6.3
**Median Hourly Billable Rates - Standard/Published
by Brand Reputation**
(USD)

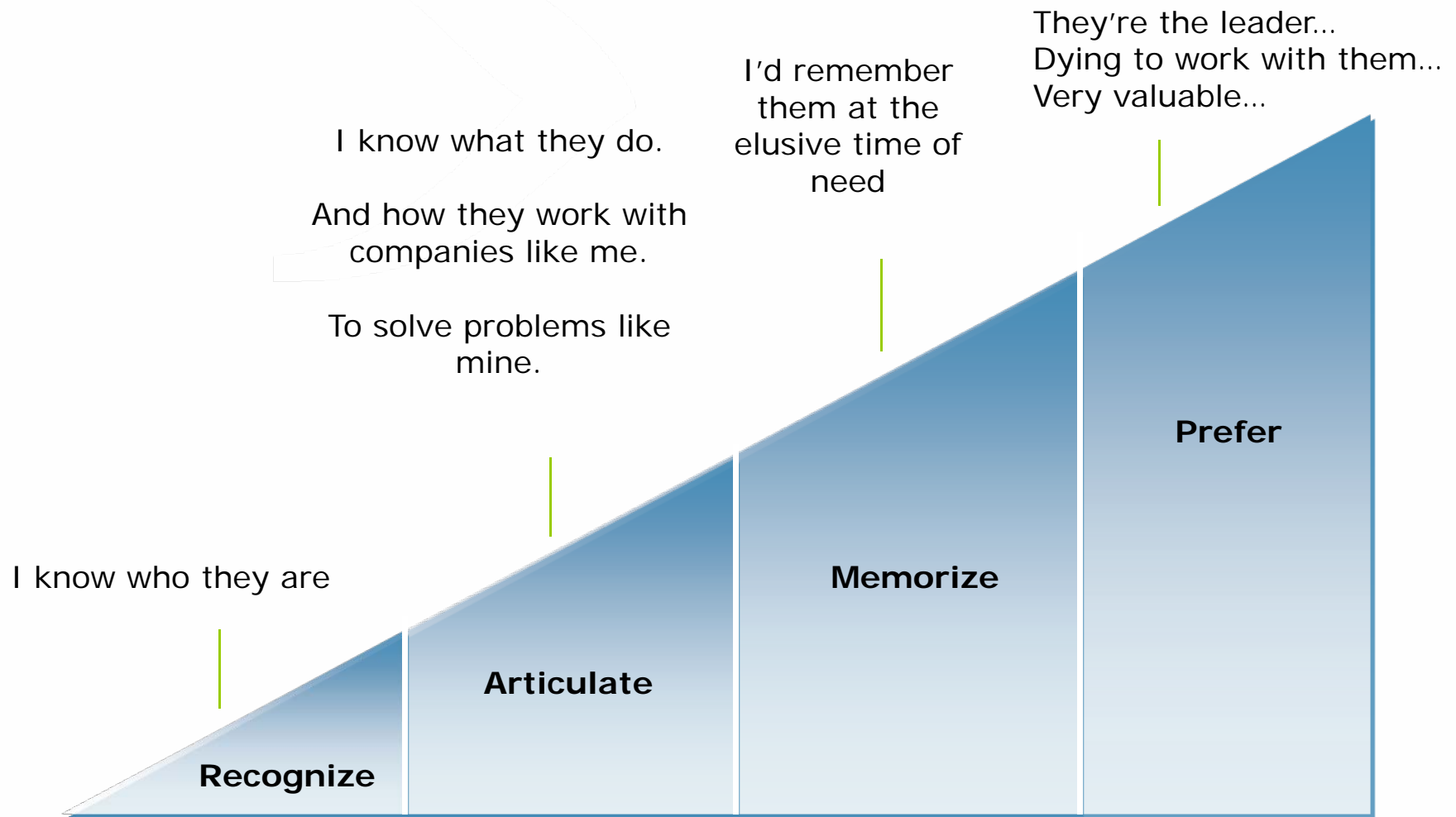


Do Brand Leaders Realize Higher Fees?

Figure 6.4
**Median Hourly Billable Rates - Actual/Realized
by Brand Reputation**
(USD)



RAMP Up Your Brand



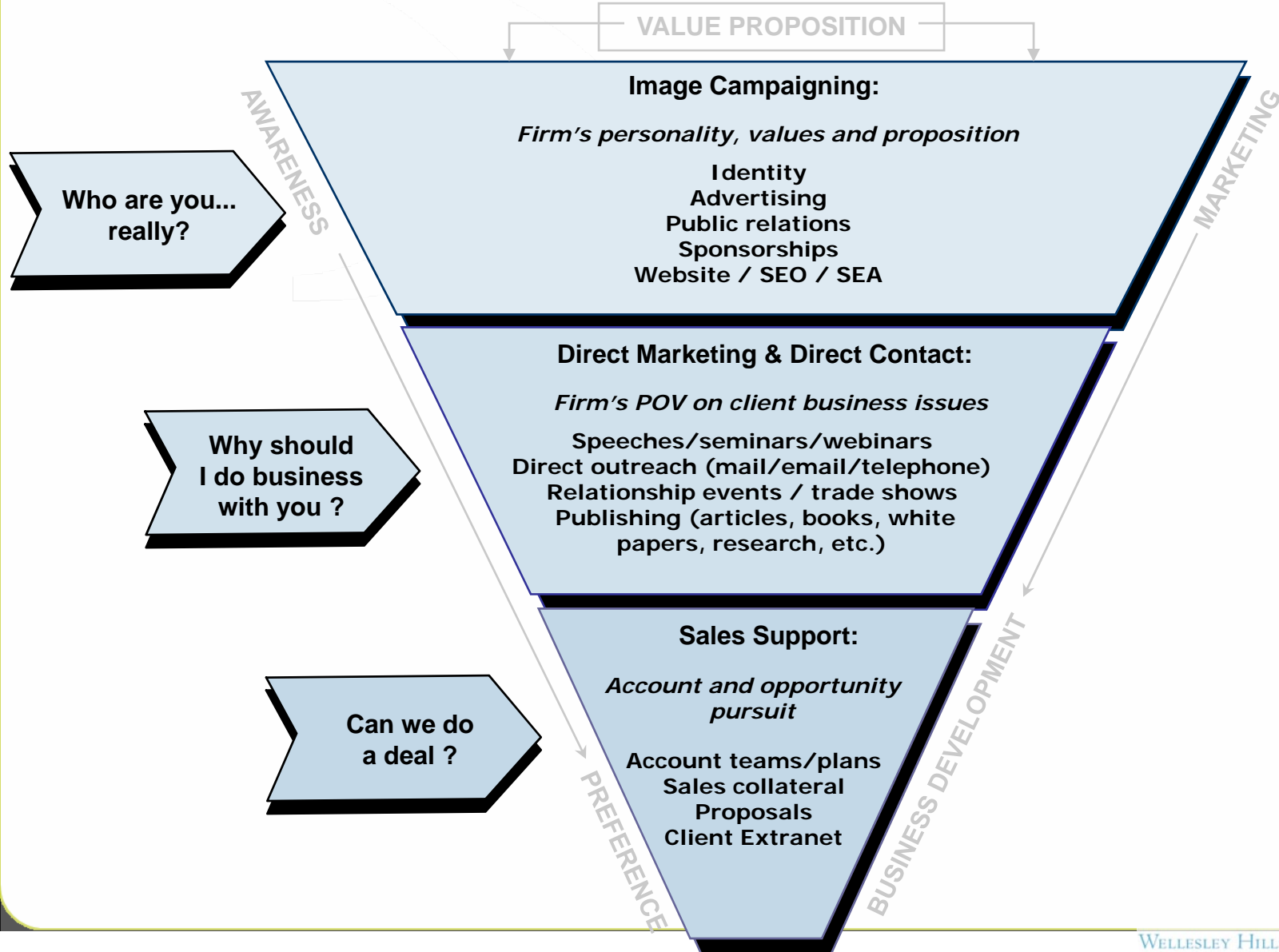
Brand RAMPSM




WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

Reaching Out to the Market



Boston Business Journal



At [redacted] we practice law differently. While our attorneys agree that **results** drive our business, building **relationships** with our clients and providing **value-added service** is the key to our success. We work hard to provide the legal experience and industry knowledge you need, as well as the personal attention you deserve - adding value to your life and the life of your business. At [redacted], your personal and business success is our top priority - so whatever your legal need, consider it done.

AREAS OF PRACTICE

Bankruptcy	International
Brownfields	Labor & Employment
Business Litigation	Licensing
Canada	Life Sciences
China	Nonprofit & Philanthropic Law
Copyright	Governance & Planning
Corporate	Patent
Divorce & Family Law	Private Equity
Electronic Commerce	Probate & Trust Litigation
Emerging Companies	Real Estate
Employee Benefits	Same-Sex Marriage
Enhancing the Rights of Investors	Schools & Colleges
Entertainment & Media	Science & Technology
Environmental	Securities
Estate Planning	Tax
Executive Advocacy	Trademark
Family Advisory Services Team	Trade Secret
Family Business	Trust & Estate Administration
Finance	Venture Capital
Government Relations	White Collar Criminal Defense
Intellectual Property / So Tech	Zoning & Land Use

Legal Counsel and Business Advisors

[redacted]

WELLESLEY HILLS GROUP



WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

One More Ad



**ACHIEVE
TREMENDOUS
THINGS**

It just requires the right skills, an understanding of how to use them, a clear vision, a good goal and a will to persevere. Here's how the situation.

All International Institute for Executive Education (IIE) helps you achieve your goals. It's our mission. We're not just a "train the trainer" and "sell" of group education. We're working with individuals, businesses, and organizations to give the most effective and efficient results to their customers.

We work internationally and locally with our clients. We offer ongoing support and guidance that we provide in many ways. Our mission is to help you achieve your goals. We're not just a "train the trainer" and "sell" of group education. We're working with individuals, businesses, and organizations to give the most effective and efficient results to their customers.

**INTELLIGENCE
INTEGRITY
AND INNOVATION**

PROJECT, PROGRAM AND PORTFOLIO MANAGEMENT
MANAGEMENT SERVICES
BUSINESS ANALYSIS
TRAINING SOLUTIONS & CONSULTING SERVICES

Johnathan Johnson
President and Chief Executive Officer



WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

Example: A Common Language from Image to Offer



Corporate

By Service:
Change
Management

By Industry:
Financial
Services

By Sub
Industry:

- "High Performance. Delivered."

- The ability to manage change is a critical competency for **high performance** organizations. Accenture helps organizations manage the complex organizational and workforce transition

- Accenture's business and financial services consulting help banks, insurers and capital markets to enhance their **performance** to succeed in this highly competitive industry

- Banking: Accenture helps banks consolidate, rationalize and automate to **outperform** competitors
- Capital Markets: We help achieve operational excellence, setting institution on the road to **high performance**
- Insurance: Accenture helps achieve **high performance**, enabling market differentiation without back-office complexity



WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

High Performance. Delivered.

A vertical split-image of Tiger Woods in a crouching golf stance. The left half is in grayscale and labeled 'seeing things simply 50%'. The right half is in color and labeled 'seeing things fully 50%'. A horizontal line with tick marks at the ends spans the width of the image, with the labels positioned above it. Tiger is wearing a dark cap and a red polo shirt on the right side, and a gray polo shirt on the left side. A golf ball is on the green in front of him.

© 2008 Accenture. All rights reserved.

seeing things simply
50%

seeing things fully
50%

We know what it takes to be a Tiger.

High performers combine razor-sharp strategic focus with a thorough command of the details. For a deeper look at our research and experience with the world's most successful companies, including our landmark study of over 500 high performers, visit accenture.com/research

• Consulting • Technology • Outsourcing

accenture
High performance. Delivered.



WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

High Performance. Delivered.

We know what it takes to be a Tiger.

High performers combine razor-sharp strategic focus with a thorough command of the details. For a deeper look at our research and experience with the world's most successful companies, including our landmark study of over 500 high performers, visit accenture.com/research

• Consulting • Technology • Outsourcing

>
accenture

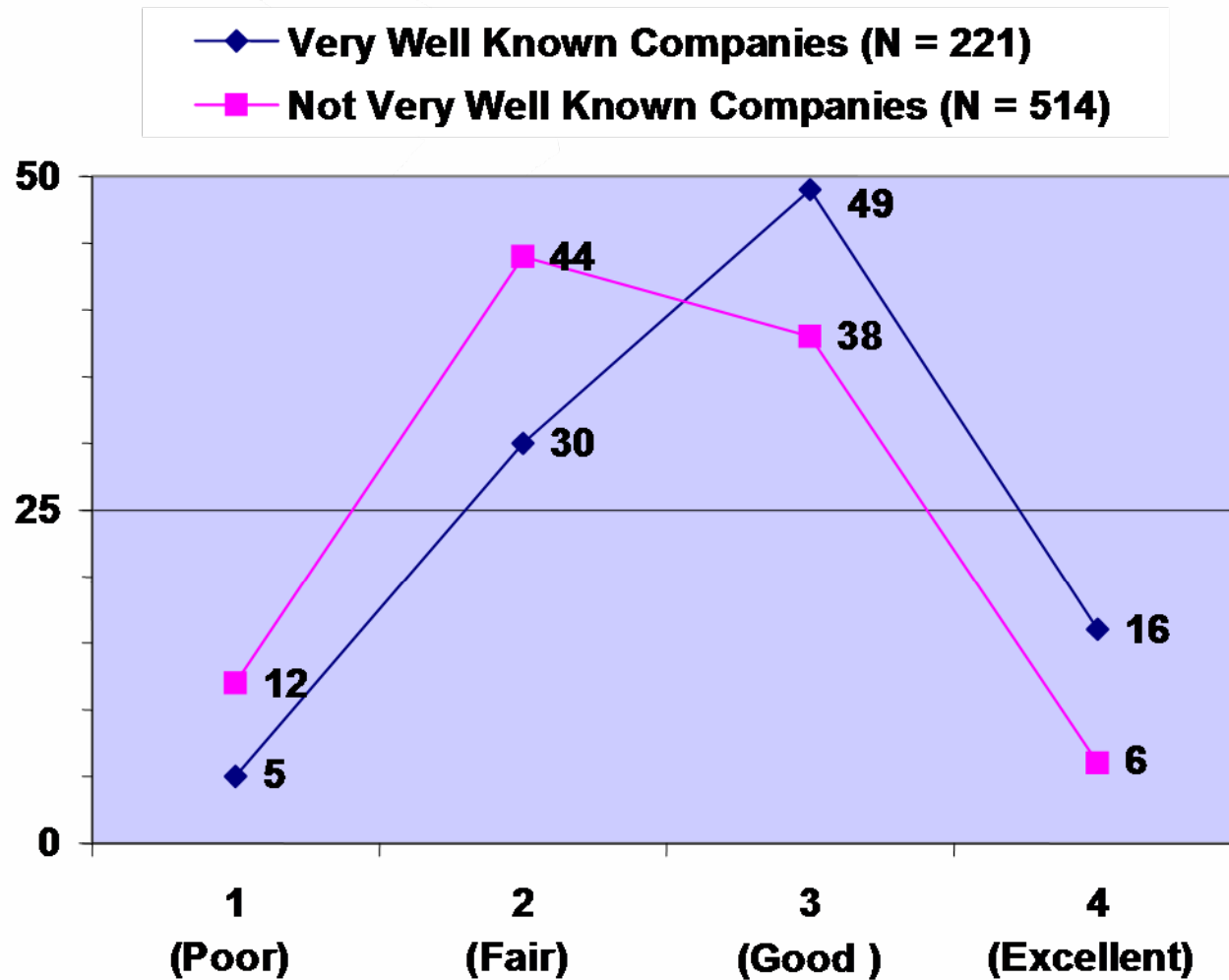
High performance. Delivered.



WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

Well Known = Better at Lead Generation



Each measure in this chart represents a significant difference at a 95% confidence level.



WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

Example Webinar and Seminar Marketing

- Share the value and vision of technology services through webinars and seminars
- Collected over 500 registrations for combined events using direct mail, email, phone and partnership tactics



Best Technology Practices for Non-Profits Attend the **FREE Webinar:**

Learn how non-profits are planning, budgeting, buying, implementing, and leveraging technology

Dates/Times:
► Thursday, June 2, 2005 at 2:00PM EST
► Tuesday, June 7, 2005 at 2:00PM EST

What: Your Computer
Registration is FREE:
Call 617-737-3315 or visit www.everon.com/webinar

FREE Systems Inventory
Each attendee of this webinar will receive a complimentary systems inventory and report

"Since working with Everon, technology is no longer a headache. It's helping us to achieve and advance our mission!"
Henry Goodhue - CEO/Board Officer
Volunteers of America
Massachusetts

everon
Your Vision. IT Department



Get the Most Out of Your Technology Join Us for a **FREE Webinar:**

7 Technology Habits of Highly Successful Small to Medium-Size Businesses

Dates/Times:
► Tuesday, July 19, 2005 at 2:00PM EST
► Thursday, July 21, 2005 at 2:00PM EST

What: Your Computer
Registration is FREE:
Call 617-737-3315 or visit www.everon.com/webinar

FREE Systems Inventory
Each attendee of this webinar will receive a complimentary systems inventory and report

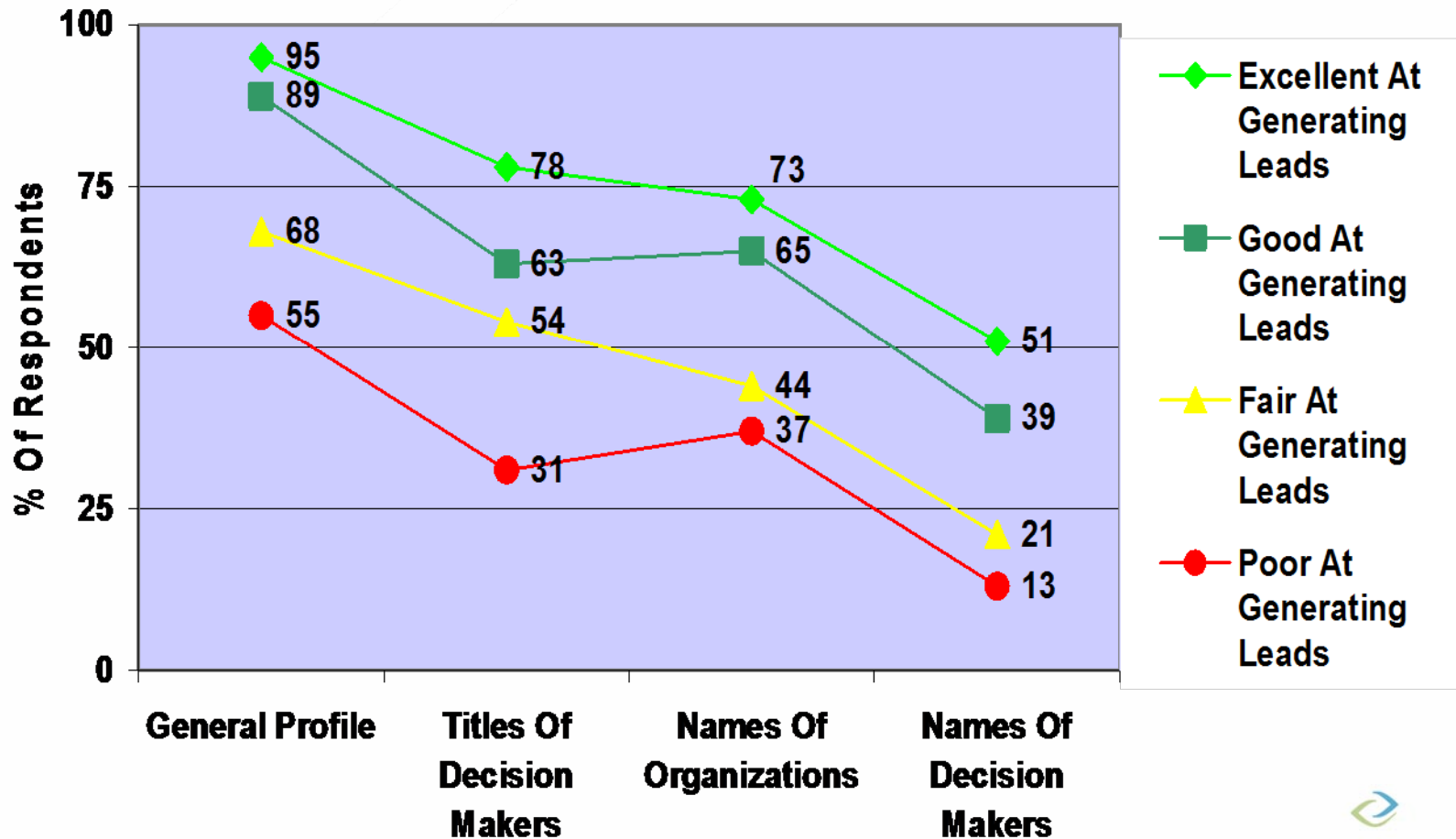
"Everon gives us a peace of mind about our technology and provides us with the right tools and support to better serve our clients!"
Doreen Coen
DON CONSULTING

everon
Your Vision. IT Department



Targeting Makes a Difference

% Rating Target Market Knowledge As "Extremely" or "Somewhat Strong"
- By Overall Ability To Generate Leads -

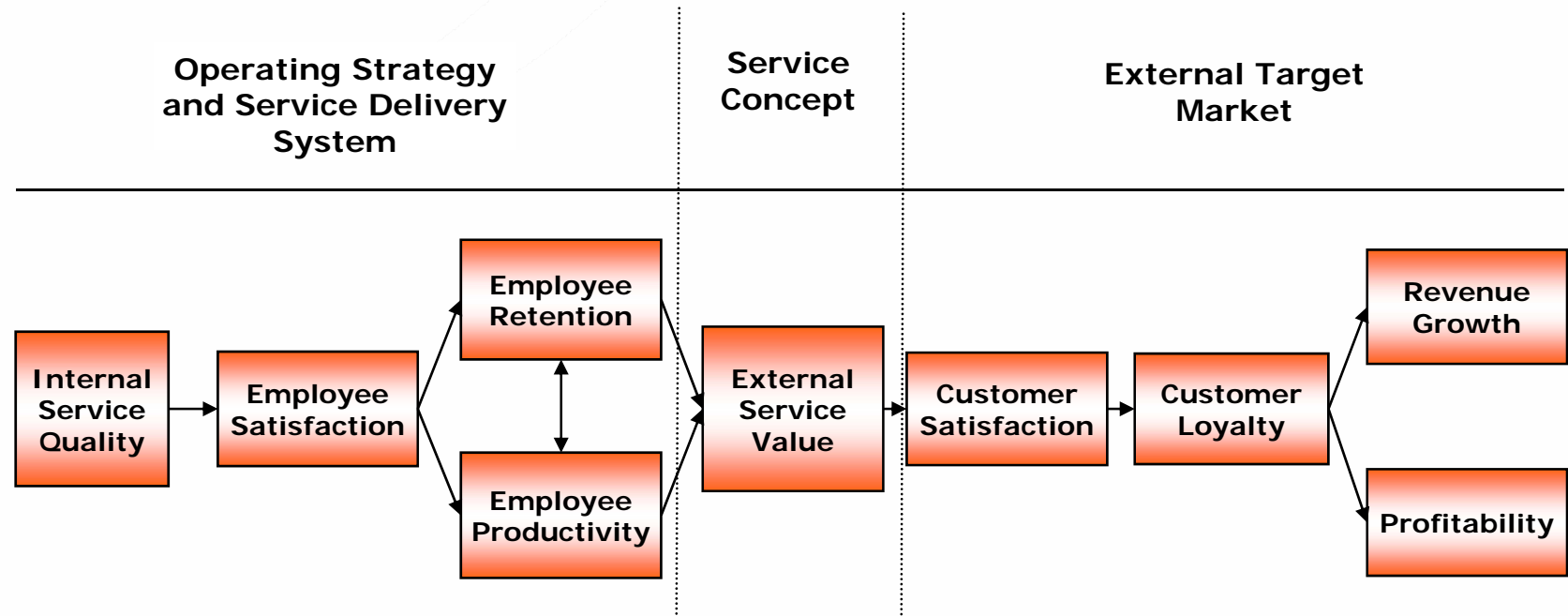


WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

Sustaining Growth, Profit, and High Fees

The Service Profit Chain



Source: Heskett et.al, Harvard Business Review, 1994



WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group

Keys to Getting the Fees You Deserve

5. Value price
 - 5a. Value sell
4. Don't just run the meter, use alternatives to the billable hour
3. RAMP up your brand
2. Establish a lead generation engine
1. To get the fees you deserve, deserve higher fees



Thank You

Mike Schultz

President, Wellesley Hills Group

Publisher, RainToday.com

508-626-9991 x205

mschultz@whillsgroup.com



WELLESLEY HILLS GROUP

© 2008 Wellesley Hills Group