

# Solopreneur Pricing: 4 Ways to set your rates for service

To maximize your revenue as a solopreneur, you need to know about the pricing of your work. There are different ways to set rates, depending upon the type of work you do, how you do, your customers' expectations, and the products or services you provide. Here are the most common ways you can charge fees.

## ▪ Charge Retainer Fees

In this approach, you charge customers a monthly minimum no matter how much work you do. Setting a minimum number of hours or projects for certain works per month makes sense. Working on a retainer confirms that you will receive enough revenue every month to keep your business afloat.

Advantages of charging retainer fees:-

- You do the ongoing work for your client/customer helping them to achieve success.
- Without keeping a detailed record of your time, you can ask the client for payment.
- You get recurring payments, almost like an income, which gives you more predictable revenue.
- You can hire employees or contractors to manage multiple clients.
- You create a balance in your business without the need to continue searching

for new clients or upsell the existing ones.

Disadvantages of charging retainer fees:-

- If you haven't set an hourly fee, then you may get extra work to do.
- Your total working hours may vary from month to month,

which can make it difficult to schedule a time for other clients.

- Your clients may request you to renegotiate your fees at the time of calculating the annual budget.

## ▪ **Charging by Hour**

Charge hourly fees are common among many high-paid professionals like accountants or attorneys. They keep detailed documentation of their work and provide their clients a registered bill. If charging by an hour is common in your industry then it is the best option for you. Unless your rates are sufficiently high, you aren't paid what you deserve.

Consider charging per assignment to ensure that every project is profitable.

Advantages of charging by the hour:-

- Charging hourly provides you a straightforward way to charge clients.
- If you are highly-skilled, you are fairly paid for your work.
- If you want to cut down unnecessary meetings and conferences, then you can charge a bill for the time spent on communication with clients and administrative work.

Disadvantages of charging by the hour:-

- You may need to work extra hours to meet your income goals.
- You may get an unfavorable reaction from the client if the work takes longer than they expected and they receive a larger bill for you.
- You may find it difficult to have a reliable salary from month to month.

## ▪ **Charge a Flat Fee**

A flat fee is an amount that doesn't change with the amount of work you do. You can charge a flat fee per project, campaign, and assignment. It is common for industries like web design, writing, and engineering. If you are more productive, this pricing method can get you more revenue than charging hourly. You don't have to closely track your time while working.

Advantages of charging the flat fees :-

- You have clarity about when to begin and end your work, hence you can set time for vacation or treat other clients.
- You receive a lump-sum amount for a part of your work, which increases cash flow.
- You don't need to maintain a detailed record of your time.
- You may find it easy to earn on project-based work, then to earn by charging retainer and hourly fees.

Disadvantages of charging the flat fees :-

- You may continue selling additional jobs to other new clients to ensure you have a future income stream.
- A client could push back a project and delay your payment.
- You may find it challenging to scale your business with a variable income.

## ▪ **Charge Commission Fees**

You can charge a commission fee if your work directly helps clients in their product sales. If you are expertise and have the knowledge of territory then your client may reward you with a lump-sum amount.

Advantages of charging commission fees :-

- You receive a higher amount to help clients make sales successfully.
- You may have flexibility in how you work and achieve results.
- You don't need to maintain a detailed record of time.

Disadvantages of charging commission fees :-

- You may need to wait for payment if you have a long sales cycle.
- You may have to spend a significant amount in making sales which can cut your profit to an extent.

No matter how you select charging fees, a robust accounting and billing system will help you manage it all. Do what is best for your business and the rest will fall into place.