

WHITE PAPER



20 TIPS TO IMPROVE YOUR FIRM'S PRICING FOR PROFIT

Richard W Smith - September 2025



Hello...

For some time now, I have been on a campaign to try and convince professionals that they do not need to be beaten up, procurement dictated to, price takers. There is another way. You can join the growing number of professionals who truly understand their value and adopt a new approach to their pricing, that of a price setter.

Liberated price setters can select from a range of price options that suit the needs of their clients, rather than being dictated to by a bunch of bullies.

But wait, there is more. Not only are price setters happier, more profitable and ready to go to the end of the world for their clients, but their clients are happier because they know their lawyers are engaged in their wellbeing and the development of their business.

During the month of August 2025, I posted a pricing related suggestion each working day to LinkedIn to try and entice my connection to think differently about the way they think about pricing. All up, there were 20 posts plus the Seth Godin quote you see below.

What follows is the entire collection of those posts in one place. Hopefully they will get you thinking and set you on the path to becoming a liberated price setter, not just a price taker.

Get in touch if you have any questions or need any help with your pricing journey!

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"Generous doesn't mean FREE. It's a commitment to creating a change that's worth more than it COSTS."

- Seth Godin

Tip: Be comfortable charging for value.



#1 First Impressions Count

Just like your website or credentials, your pricing sends a strong message about how you position your business.

Tip: Think about what message your fees are sending. Are you reflecting the value you bring?

#2 - Pricing Is More Than Just Numbers

Clients don't just look at the price tag, they look at what the price represents.

When clients hesitate, it's not the cost they resist: it's what they believe your pricing says about your firm - its expertise, experience, standards, methodology and the story you are telling.

Tip: Price wisely and ensure it reflects the value you deliver.

#3 - Your Fees Define Your Client Relationships

How clients perceive your fees often reflects on more than just the financials, it's about trust and the story you tell.

Clients often reject your fee not because of the number, but because they are rejecting the way you have told the story.

Tip: Make sure your pricing communicates your firm's value.



#4 - The Psychology of Pricing

Pricing is a reflection of your firm's value proposition. If you price too low, you send a signal that you have never done this work before. Likewise, price too high and it sends a signal that you haven't understood the scope of services.

Tip: You are the subject matter expert - make sure your pricing sends that message.

#5 - Tone

A well-thought-out pricing strategy can help set the tone for your relationships with clients.

Tip: Ensure your pricing tells a story that reflects the quality and care you put into every aspect of your relationship with your client.

6 - Quality

If you price your services too low, clients will wonder if they're getting a bargain or a subpar service.

Tip: Your pricing strategy isn't just about setting rates, it's about positioning your brand as a leader in your field.



#7 - Anchoring

In the world of pricing psychology, the anchoring effect plays a huge role.

Tip: When you offer multiple pricing options, clients tend to base their decisions on the first price they see, the anchor. By strategically placing a high-priced option first, your lower-priced services can seem like a better deal in comparison.

#8 - The Psychology of Discounts

Discounts can be a powerful tool, but in the world of pricing psychology they can also backfire. When you offer too many discounts, clients start to wonder if your full-price offering is really worth the initial cost.

Tip: Discounts can signal a lack of confidence in your pricing, which can erode trust. Instead of offering blanket discounts, consider adding value or offering incentives that don't diminish your perceived value.

#9 - The Impact of Pricing on Client Loyalty

Did you know that pricing can influence not only your client's buying decision but also their long-term loyalty?

Clients who feel they are paying a premium for top-tier service are more likely to stick around. Conversely, if they believe they are overpaying for the value they're receiving, they may not return.

Tip: Understand the psychology behind your pricing strategy: price too low and you risk clients questioning your value; price too high, without delivering the experience to match, and you'll lose trust.



#10 - The Hidden Danger of Pricing Against Yourself

Pricing against yourself is a common pitfall that many professionals fall into without realising the long-term consequences.

It happens when you price your services lower than what they're truly worth, thinking you'll attract more clients. But in reality, this often leads to a race to the bottom, where clients expect even more for less, devaluing your expertise.

Tip: By pricing too low you're sending the wrong message about your value and can end up working harder for less. Don't sell yourself short, your pricing should reflect the value you bring!

#11 - The True Consequence of Undervaluing Your Services

It's tempting to lower your prices to beat the competition, but when you undervalue your services clients begin to associate lower prices with lower quality, even if that's not the case.

Tip: Instead of always offering discounts, ask for training on how you can communicate the value you are clearly providing.

#12 - Why Lowering Your Price Don't Always Lead to More Business

Most professionals think that pricing their services lower will attract more clients. But this often backfires, because when you price too low, you also end up doing more work for less pay. Worse, you get scope creep that results in lower client satisfaction.

Tip: Instead of focusing on price wars, focus on the quality of your service. The right clients will always recognize the value you bring.



#13 - The Dangerous Cycle of Pricing Too Low

In tough times, lowering your prices to attract more clients looks like a good strategy. But, over time this strategy will undermine your ability to increase your fee, even when your services deserve it.

Tip: Set your prices based on the value you offer and the experience you provide, not on what others are doing.

#14 - Competitor Pricing is a Signal, Not a Strategy

If your pricing strategy starts with “*what are our competitors charging?*”, you’re already on the back foot.

Competitor pricing can provide context, but it shouldn’t dictate your own pricing.

Why? Because your costs, value proposition, service quality, client experience and brand positioning are very different.

Tip: Use competitor pricing as a signal not a strategy.

#15 - Your Competitor’s Pricing Doesn’t Tell You Their Profitability

You don’t know your competitor’s cost base, capacity, strategy or desperation.

Don’t assume they’re pricing from a place of strength. And don’t let their number force you into a corner.

Tip: Have your own pricing strategy. Stick to it and make sure your pricing supports, not undermines, your business model!



#16 - Use Fixed-Fee Pricing When You Can

Clients hate surprises. Fixed-fee pricing gives clients clarity and confidence.

Tip: Use fixed-fee pricing if you can - but avoid fee estimates if you can!

#17 - From Gut Feeling to Precision

Gone are the days of relying solely on intuition or guesswork for pricing decisions. AI brings precision to pricing strategy by analysing vast data sets and predicting outcomes based on historical patterns and real-time information. This shift from gut-feeling pricing to data-driven decisions will allow professionals to optimise pricing strategies that maximise profits while delivering value to clients.

Tip: As AI continues to evolve, pricing will become increasingly accurate, helping firms set the right price at the right time.

#18 - Race to the Bottom

Here's why competitor pricing is a race to the bottom: A competitor undercuts you, so you drop your prices. Then they drop theirs. And on it goes. Soon, no one is making decent margins, and clients expect more for less.

Tip: Instead of playing the discount game, double down on value:

- Clarify your positioning
- Demonstrate outcomes, not inputs
- Show what clients *miss* when choosing cheaper

Competing on price may win you the work, but it rarely wins you profit or respect.



#19 - Who determines your value?

"We can't charge that, our competitors only charge half that amount!"

Who determines the value you provide to your clients? Because the moment you compare the price you charge against the price your competitors are charging, you immediately devalue what you do.

This injury is self-inflicted.

Tip: Your clients don't just buy what you do: they buy how you do it, why you do it and the experience they get along the way.

#20 - Personalise Pricing

One of the most exciting impacts AI will have on pricing is its ability to personalise offers for individual customers.

By analyzing customer data, AI can tailor pricing to reflect each customer's willingness to pay, creating personalised pricing strategies that maximise both value and profitability.

Tip: AI can help identify which of your clients are more likely to pay a premium for exclusive features or services. This level of precision in pricing will help your firm build stronger relationships and increase customer satisfaction. Get on board!



Get in touch

Get in touch for a free confidential chat if you need help sustainably growing your firm.



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