



# The Key to pricing your work and knowing your value.

You're great at what you do and there's no question about it. Shouldn't you be charging accordingly?

Pricing your work based on your self-value is just as important as being competitive – if you choose a “competitive” but low pricing for your services, the work won't feel worth it for you. There are several different pricing structures, so it's essential to understand them all and charge for what your time is worth.

## **Commission**

Granted, commission isn't the best pay structure but, to be well versed in the field, one must understand all options available. When you operate under commission, you basically get paid through the vendors that you hire. For example, if you're a planner and you book the photographer and the caterer, then you would get a percentage of their fees. This isn't a popular choice for obvious reasons, so I'd suggest trying a different method.

## **Percentages**

Charging percentages of a client's budget can make sense for those starting out in the industry, as it's simple to calculate and ensures that you make an agreed-upon proportion of their spending. For example, if your client is budgeting R250,000 for an event and you're charging a 10 percent rate, you would make R25,000 from the event.

Be cautious with clients who up their budget midway through the planning – ensure that your contract covers fee adjustments, so you're not left with the short straw. Although this is a perfectly acceptable starting point, you'll want to set your sights on a more detailed pricing structure down the line.

## **Hourly**

If you're not afraid of maths, charging hourly may be a good solution for you. To calculate your hourly wage, plug in your estimate in the following formula:

$$(\text{Amount you want to net annually}) / 50 \text{ weeks} / 5 \text{ days per week} \times 2.5 \text{ (factoring in expenses)} = \text{per diem} / 8 \text{ hours} = \text{your hourly rate}$$

The only difficulty that comes from this structure is that, in the events industry, we typically don't work a standard nine-to-five, Monday-through-Friday work schedule. Unless you have an accurate



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time management tool, it'll just add more work to your plate if you're charging a client for 23 minutes here and 48 minutes there.

### **Package Rates**

The package is perhaps the most popular pricing structure in the industry due to its simplicity for everyone involved. The client goes in knowing the rate, and you don't have to worry about calculating every minute of your time. When determining your flat rates, work with a test client and tally up every hour that you spend on the event, including but not limited to meetings, office work, and on-site coordination. Use that as your baseline and multiply it by the hourly rate you calculated above – voila! There's your package pricing.

Often, clients will try to negotiate with you. It's understandable and should almost be expected – but never think it's a reason to short-change yourself. A word of caution: If you ever think of lowering your prices in fear of losing the business, don't do it. You may end up charging less, but the work will still be the same and you may find yourself resenting the situation.

A great alternative to knocking down prices is to offer add-ons for no extra fees – that way, they'll feel like they're getting a great deal, but you won't be taking away from the value that you've already placed in your services.

Time really is money – don't throw it away!



Source: [www.specialevents.com](http://www.specialevents.com)



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