VA Helper Podcast for Virtual Assistants

Our topic this week is *setting and displaying your service rates*.

Loretta: Hello. Welcome to the VAhelper.com podcast. I'm your host Loretta Oliver and I would like to thank you for listening today.

In our last episode we talked about setting up your website, and pages that you might want to consider having on your services website. That brought up some questions about posting your rates, and the prices that you charge for certain services. So we're going to talk about that a little bit today, and get a few different opinions on reasons to consider posting your rates on your website for everyone to see, and reasons you might not want to post your rates on your website for everyone to see.

There's been a bit of a debate in the virtual assistant world, and just for services in general even, about whether or not you should post your rates on your website for everyone to see when they come, that way they don't have to ask for a quote or contact you to find out how much their project is going to cost them.

Now that all sounds good in theory because nobody wants to answer quote requests all day every day, right? It's just so much easier to have everything right there; the customer can, sort of, self-serve and figure out from their budget if they're going to be able to afford your services or not.

That's also where the problem comes in because they're not seeing the project the way you would see the project while providing the service, and oftentimes they underestimate the amount of time that it's going to take to do the project and the amount of work that it really does take to get everything that they need done finished. So they're thinking that the project is going to be, say, four hours, when in reality that project takes about 10 hours of work to finish.

Those two things are very different price points and the client thinks it's a very low price, and meanwhile, if its 10 hours of work it's going to be a lot more than what they expected on their four-hour estimate for the project. So, in this regard, not posting rates and costs on the website is a way for some service providers to avoid that miscommunication and that disconnect with customers, this way each customer submits a request for proposal for their individual project and gets a customized price quote from the virtual assistant.

But I don't want you to have just my opinion, so I have Alicia and Erica both here today to go over a couple reasons why you might want to post your rates or not post your rates, and some ideas on how you can best do that for your website. Erica what are your thoughts on posting the rates on the website for everyone to see?

Erica: As far as posting your rates on your websites goes, I am a big believer that you should post your rates. If you are hesitant to post them, or you have a lot of different packages that may be offered because each one may be catering to a different kind of person or a different project, I think it's best that you should put something—"Rates starting at," like say if you're working on graphic design or a website, you say, "Okay, rates starting at $2,500 for a whole website," because I think in this day and age people are very cynical about what they purchase, and they also are very hesitant, especially in this economy, to call people and say, "What are your rates; where do they start?" Money is a hard thing to talk about and there's still a great deal of mindset in

this country that if you have to ask how much something costs, then you can't afford it. And you don't want that to play on you. You may be worth the money, but they don't want to go into it blind and then find out that their budget is $200 and that you charged a thousand an hour.

Loretta: I really like the idea of doing a setting rates "starting at" on your website instead of specific rates; that kind of gives you that little bit of cushion to adjust so that if somebody comes back to you and has a really complicated project that you just know is going to take forever you can adjust when you tell them how much the project's going to cost. That's a great idea. And I agree that the economy and budgets are definitely a huge issue there, too.

Erica: Several years ago I got into an issue with that with a client of mine; I was working with them and my client hired someone to write sales copy for their website. Well, the client had asked him to write five or six pages of copy—it was extensive copy—and the copywriter was going to charge him $250 a page, which is actually very cheap for copy to the extent that he was needing, and they never discussed money because the client was like "Yeah, go ahead, whatever the budget." He never really said, "This is my budget."

So, then the copywriter sends me the invoice and I said why am I getting an invoice, this is for my client, and so he says well the client told me to send it to you, and so I sent it on to my client and said "I don't know how I got in the middle of this, since you hired him, he works for you."

And, so I sent him the invoice and he opens it up and he goes, "No, no, no. Did you change this?" And I said, "No, of course not. Why would I change it? I just forwarded you the email." And, so he calls me and said, "No, our budget for copy was like $400," and he had overspent that by like $1,500. So, I go back to the copywriter and I was like, "I wasn't there when you were hired; I don't know what happened."

I said, "My client was freaking out," because he has basically spent $2,000 on copy that he wasn't expecting to spend. The copywriter did not have his rates on his website and I'm not sure exactly what my

client thought he was going to be charged, and the copywriter came back and said, "You know, I should've double checked. I should've verified what the budget was, because I would not have done this much work." He put in hours and hours and hours writing this copy. He's like "I could have done much less research," or something. He's like, "I could've made it work for four hundred bucks, he just wouldn't have gotten as many words and he probably wouldn't have gotten as many pages.

And so, in the end, I ended up being able to work something out between the two of them, where the customer paid, like, half of what the original invoice was, which I actually did not think was fair because I think it was the client's fault for not saying, "This is my budget," because he—from my understanding—he basically said, "No, just go ahead and do it, whatever it costs." Well, "whatever it costs" does not mean I can always spend $400.

The copywriter also got a little bit agitated in the end, I think, because it took the client several months to actually pay him, and so the copywriter keeps calling me wanting to know where the money is and I kept telling the copywriter "You don't work for me. I had nothing to do with this. You have his phone number. I am not the go-between on this."

And so I tried to mediate as much as I could. It was a difficult situation and so I think if you post on your website and say that your hourly rate starts at $75 an hour that kind of gives you a cushion that you say to the person, you contacted me from such and such page on my website and it clearly states that my lowest hourly rate is here.

Loretta: Wow. That is a really good example of how not having the rates on the website sort of worked against them in a way, because they didn't have great communication with the client, also. So let's change focus just a little bit and talk about your rates in general, setting them, putting them on your website, what to tell clients . . . sort of a broad spectrum.

I know this can be one of the harder parts of working as a virtual assistant; you have to know your market and make sure that you set your prices at a price point that will meet the needs of your clients and

customers. But, before we dig in too deep here, I need a refill on my coffee, so I'm going to pass the audio over to Alicia for a little while and I'll be right back.

Alicia: I do see the benefits of having your rates listed on your website and for not having your rates listed on your website. I know you were probably looking for a black and white answer so you know what you should do. But just like many other things about having your own business, you need to do what works best for you, and what you're most comfortable with.

I can tell you that when I first started my business I did have my rates listed on my website. That's what I learned, so that's what I did. I felt that it helped with transparency; clients knew exactly what they were getting, and how they would be charged when visiting my website. However, I have changed this and I no longer list my rates on my site.

Over time, some of the projects that I've done for clients have changed. I'm now at the point where different clients have different rates and new clients are charged something else entirely. I have found that it helps me to price per project so that I'm really pricing correctly.

The different rates were due to the type of project, the length of time it would take to do the project, and the time frame the client had for the project. Those were just a couple of things that affect the outcome of the pricing that I charge and why it helps to not have it on my site. I've certainly not seen a decrease in business after removing the rates on my website.

So, if you don't list your rates, what should you put on your website pertaining to your rates? Well, you can add things like frequently asked questions about payment and turnaround time, you can note your business hours and how you accept payment, and you can also note the things that you might charge extra for. This will still give them a place to go to get the answers they might be looking for without you putting out there exactly what you charge for everything right down to the penny.

Loretta: I like that you brought up the point about having different rates for different clients. I have a lot of similar situations, where certain clients

get, I don't want to say "preferential pricing" because it's not really preferential, it's just different in that their projects were very different than the other projects that I do. So I changed the rate based on what they needed for the project. Sometimes that means it's a little higher, sometimes that means it's a little bit lower.

I've also done it both ways on my own websites where I've had my rates posted and not posted, and I didn't see so much that it affected the amount of work I was getting, but it did sometimes affect the quality of work that I was getting, by that I mean clients that were reasonable to work with, and enjoyable to work with even.

But I think a lot of that might've had to do with the actual rate itself when I changed my rates to a higher rate because when I started out, I was charging a really low rate, like $10 an hour, or something like that, for virtual assistant services in general, and then my transcription rates were also really low. And over the past few years I've change those a few times to be higher and a little bit more reflective of the market that I want to work with. Erica, what are your thoughts here?

Erica: If you are a VA and you're charging less than $10 or $12 an hour, I really think you should increase your rates and you need to publish them. If you have someone who works with you consistently, even on a subscription basis, offer them a discount but have that as something that you do for your special clients.

Don't be taking rock bottom prices on your website and then try to increase it once you get the person contacting you. You can always offer a discount after you get them on the phone, but I'm also a big believer that you should not be relying on discounts, I think that it's better for you to charge your hourly rate across the board.

Some of you may know that I owned a transcription company for four years and now Loretta, the curator of VA Helper, took over my company for me, because she has a lot more transcription experience than I do even. And, at one point, our rates—we started out very low—I didn't do my market research correctly, so we were less than, charging less than half what the rest of the market was for

transcription. And so, over the course of about 18 months I slowly increased my rates.

Instead of doing two or three big jumps in price, I slowly increased them. And so I had customers, some of them had negotiated a lower rate. I had customers that had come in from the forum or that kind of thing, where I'd done networking stuff where they automatically got like a 20% discount. And then I have my real hourly rate, and I will tell you it was almost maddening, trying to figure out which person got which rate.

So I think the caveats and the cons outweigh the pros, definitely, on having your rates published; at least a base rate. You may have put in an addendum there that says "features" or "extras" may cost more. And I also am very wary of publishing flat rates for packages. If you know that you get a tendency to have projects that get out of control and you are not making as much money as you should be because you're charging a flat rate rather than an hourly rate, definitely be wary of that as well.

Loretta: That's a really good point about trying to keep track of the different rates that you're charging different clients. It can be really difficult and confusing and sometimes it just gets frustrating, depending on how many clients you're working with.

It's not so bad when you're only working with two or three clients but then, later on, you're working with 12 or 15 clients and it gets a little, a little sloppy, a little messy. I do like the idea there of having a base rate like you said, and maybe even the addendum that says different projects may take on additional rates and maybe even give a few examples of what that might look like for an overall project.

Then, in regard to the actual rates themselves, I do like that you said that if you've been doing your virtual assistant work for a while, it might be time to increase your rates. A lot of us do start out at a really low price point and that's totally okay when you're just getting started, but after you have a little bit of experience under your belt and you have some testimonials on your website and you're a little more confident in the work that you're doing then it's time to start thinking about raising that rate a little bit for when new clients come in and

potential leads visit your website. You don't want to be undercharging in a market that is typically used to paying higher rates.

Like you said with the transcription example that you gave, Erica, there were clients coming to your website and you were charging half of what they were used to paying, so that can give two impressions; that can be "Okay, well I'm going to get a really good deal, here," or they might think "Well, this isn't really the right pricing, so either this is going to be junk or I'm not getting what I think I'm going to get," and that can be a problem when you're setting your rates, too.

And I do remember when you had the lower rates over at [The Small Business Transcriptionist](#) and I remember looking at your rate sheet and asking you why you were charging such a low rate when I knew you were putting out good transcripts. You were giving away the farm there on that one, and then you raised your rates and I think you also saw the same thing that I mentioned earlier, with a better quality of client you get—when you raise your rates and you have that higher perceived value, it just all comes together and works out really well and things just kind of grow from there.

Time to Close Up!

I think that's going to wrap things up for us today on the [VA helper podcast](#). I do want to invite you to visit vahelper.com, check out the blog posts we have there this week, and click on the big purple tab on the right hand side if you'd like to leave us a voicemail message or ask us a question that you would like us to answer on the show. We'll talk to you again next week. Have a great weekend.

➜ [Don't miss our service business website tips series on the blog!](#) ⬅

Meet the Team Behind VA Helper:

Loretta Oliver

I've been a work at home mom offering a variety of virtual assistant services since 2001. I shifted my business focus from being a general virtual assistant to focusing on offering transcription services and I no longer accept new general assistance clients. However, I do still maintain a few original client relationships and I really enjoy working with those people. When you have great clients work doesn't seem so much like work as it does helping a friend, and that's the way it should be in my opinion.

One thing I learned quickly as a virtual assistant and transcriptionist is that you can't let your entire business be YOU. Eventually you will reach a point where it won't work anymore, something might call you away from your comfortable desk (like you husband being in the hospital for two weeks), or you might want to take an actual vacation where you don't have to go back to the hotel and work for four hours every night, or maybe you've just got too much incoming work that you can't handle it all alone anymore. **The truth is even the assistant needs a little help sometimes, and that's perfectly okay.**

So I gathered a group of my closest friends who are also virtual assistants to contribute here at VA Helper. Everyone brings a unique set of skills to the table and we all focus on different areas. In fact, I've worked together with each of these lovely ladies on various client projects as a team effort to create an exceptional client experience. Without further ado, I'm pleased to introduce our VA Helper contributors….

Alicia Jay

Alicia Jay began her foray into the online world when she found herself very pregnant and very laid off in a down-turned economy. She discovered Loretta Oliver and became a student of her Transcription Crash Course.

Over time, she has built up her own general transcription business while perfecting her skills and gaining the trust and respect of her clients. She now teaches others how to master transcription.

In an effort to give back, Alicia recently created newVAadvice.com, a site where she shares her journey of becoming a Virtual Assistant in the hopes of inspiring other women to follow their dreams of having a business that works around their lives—not the other way around!

Lauren Haugh

Lauren has been involved in online business since 2005. Starting out in Direct Sales, and has always had at least 2 websites that she contributed to and maintained. Along the way she has mastered many online skills that she combined into a [Virtual Assistance business](#) so that she could offer her services to help out other WAHMs and online business owners. In Lauren's opinion, helping other business owners is one of the most rewarding things she can do.

Erica Cosminsky

Erica Cosminsky is an HR Business Strategist for small businesses. She can slog through the pile of applicants and help deliver the best assistant to your "office door", she transforms mile long to-do lists into manageable bites, and like your best friend after a raging party, she sticks around to offer assistance or clean up any messes, etc. Find her free delegation workbook atTheInvisibleOffice.com

She is a former corporate HR Manager, and ran her own virtual business team for 4 years. She has a BS in Organizational Leadership focused in HR and is a grad student in Industrial and Organizational Psychology focused in Workplace Efficiency. Honestly, if you have questions about working with people, Erica can probably help you. Ask her on Twitter. [@Cosminsky](#)

Christina Lemmey

Christina is the owner of [MultimediaVA.com](#) and focuses on creating compelling website content for her clients. In addition to audio, video & written content creation, Christina also offers one-on-one coaching sessions for clients who need more help learning some of the popular business software programs, such as WordPress, Aweber and Easy Video Player.

Tracy Roberts

Whether you're just starting out or you've been in business for awhile, finding people that you can trust to give you the information you need, when you need it and at the right price for your current pocket book can be hard work. Tracy shares her trusted resources at [Moms In A Blog](#) so you can avoid the frustration of digging through all the turds to get to the golden nuggets.

She has been where you are and has been working online since 2006 as a virtual assistant, affiliate manager and running a team of virtual assistants for various clients.

Tracy shares the inside scoop on people, products & ideas you can take to the bank as well as the how-tos', tips, techniques that you need to know to run a successful business.

Lisa Roberson

Lisa is a stay at home mom with three kids, two of them are almost 6 foot, and she is just barely getting over the shock of that. She loves kids and also children's education, with a strong leaning toward literacy. She eats books for breakfast – and has raised her kids to do the same. Her boys read faster than lightning itself, and she really doesn't understand that fast-forward reading nonsense. She is sure one day it's going to be hard to admit to their superior intellect. Not today, though.

Lisa also loves the internet like there is no tomorrow! She cannot. get. enough. She's grown to love marketing from hanging out online with a bunch of internet marketing geeks. She loves to read marketing books and industry magazines. She also loves animals, trucks, and living simply. It is one more sad fact of Lisa's polarity, that her love for all kinds of big, air-polluting machines and trucks belies her desire to live an eco-conscious life. A true Gemini, indeed.