When to raise your prices

Five signs you're already too cheap, how to work out the new number, and what to say when you move it.

Almost nobody puts their prices up on purpose. They put them up after a bad winter, or after a supplier letter, or after an evening spent looking at the bank balance wondering where a year of very hard work actually went.

Which is a shame, because by then it's a reaction, and reactions get made badly and explained worse. The better version is a decision you make while things are going fine, using numbers you already have.

This isn't about charging what you can get away with. It's about noticing that the price you set three years ago was set by a version of you with less experience, cheaper fuel, and a quieter phone — and that nothing has updated it since except inflation quietly taking the difference.

01 The signs you're already too cheap

You don't need a spreadsheet to spot this. You need to be honest about five things you already know.

You win nearly everything you quote. This is the big one, and it gets mistaken for good news for years at a time. If nine out of ten quotes turn into jobs, your price isn't competitive — it's low. Winning roughly half of what you quote to people who don't know you is a healthy place to be. Winning all of it means you're the cheap option and you didn't decide to be.

Nobody ever hesitates. If not one person in six months has gone quiet at the number, taken a day to think, or asked if there's a cheaper way — you're under the line where people think at all.

You're booked solid and it isn't showing up. Busy and tired should look like something at the end of the month. When it doesn't, the problem isn't the workload.

There are jobs you quietly hope go away. The ones you've stopped enjoying are usually the ones priced when you were newer and faster to say yes.

You haven't moved in two years. Your fuel, your insurance, your materials and your van have all moved. If your price hasn't, you've already taken a pay cut — you just took it in installments where it didn't sting.

WHAT TO DO

- Count your last twenty quotes and how many became jobs. That one number tells you more than any amount of thinking.

- Find the date you last changed your prices. If you can't remember it, that's the answer.
- Write down the three jobs you least enjoy taking and what you charge for them. That list is usually the whole problem.

> *A very high win rate isn't proof people love you. It's proof nobody had to think about it.*

02 Work the number out, don't feel your way to it

The usual method is to pick a percentage that feels brave and then talk yourself down from it. Do it from the costs instead, and the number stops being an opinion you have to defend.

Start with the hours you actually bill for. Not the hours you work — the hours a customer pays for. Quoting, driving, supplier runs, invoicing, the phone: none of that is billable and all of it is most people's Tuesday. For a lot of one-person operations the real figure is somewhere near half the week, and almost everybody overestimates it the first time they guess.

Then add up what a year costs you before you've paid yourself anything. Van, fuel, insurance, tools, phone, software, accountant, the lot. Add the wage you actually want to earn. Add something on top of that, because profit and your wage are different things and a business with no profit has no way to replace a van.

Divide that total by your honest billable hours. That's what an hour has to be worth. Compare it to what you charge. Most people find the gap on the first attempt and don't enjoy it.

WHAT TO DO

- Track billable versus unbillable hours for two weeks. Two weeks is enough to stop guessing and short enough that you'll finish.
- Total your yearly running costs from the bank statements, not from memory. Memory leaves out the small subscriptions.
- Set the wage you want as a line item, then add profit on top of it as a separate one.
- Run the sum. This is leak three in the leaks guide, and it's the one that funds all the others.

> *A price you can explain with arithmetic is a price you can hold. One you picked because it felt about right will fold the first time somebody frowns.*

03 Move on new customers first

Here's the low-risk way to find out whether you were right: new enquiries have no idea what you used to charge.

Quote the new price on everything new for a month. Change nothing for anyone existing yet. Then look at what happened to your win rate, and you'll have real evidence instead of a bad feeling at two in the morning.

If you're still winning nearly everything, you didn't go far enough — and now you know that with a month of proof rather than nerve. If you've gone from winning everything to winning most, that's the number working exactly as intended.

WHAT TO DO

- Pick a start date and quote everything new at the new price from that day. No exceptions, or you'll never know what happened.
- Keep the same tally you started in step one: quotes out, jobs won.
- Give it a month and at least ten quotes before you read anything into it.
- Honour every quote you'd already sent at the old price. All of them, without being asked.

A month of new enquiries will tell you more about your pricing than a year of wondering about it.

04 Tell your regulars before they find out

The worst possible way for a loyal customer to learn your prices went up is by reading an invoice that's bigger than the last one.

It turns a business decision into something that feels like it was done to them quietly, and people who feel that don't argue — they just don't call the next time. You never get told why.

Give notice. A month is plenty. Tell them before the change, tell them what it'll be, and tell them their next booking is at the price you already agreed. Handled that way, almost nobody minds, because almost nobody expected you to stay the same price forever. What they expected was to be treated like someone you know.

WHAT TO DO

- Send it a month ahead, and send it individually if your list is small enough to make that possible. A bulk email to fifteen people reads as a bulk email.
- Honour anything already booked or already quoted at the old price, and say so in the message.
- Tell your best few in person or on the phone before the message goes out. It costs you an afternoon and buys a lot.
- Change it once. A second rise six months later undoes all of this, so make the move big enough to last.

Nobody resents a price rise they were told about. People resent finding one on an invoice.

05 Say it once, and don't apologize

The message is short. What's changing, when it starts, and that anything already agreed stands. Something like:

"Quick heads up — from the 1st of November my rates are going up a little, to $X. Anything already booked in stays at the price we agreed. Thanks as always for the work, and any questions just shout."

That's the whole thing. The temptation is to justify it — to list the fuel and the insurance and the cost of materials, to explain how hard the year has been. Don't. A paragraph of reasons reads as pleading, and worse, every reason you offer is an invitation to argue with one of them. One line of context is plenty. None is fine too.

And don't apologize for it. You're not doing anything to them. You're telling them what something costs, which is a thing every business they buy anything from does several times a year without writing a letter about it.

WHAT TO DO

- Keep it to four sentences. Write it, then cut the sentence that explains yourself.
- Give the actual new number or the actual percentage. Vagueness reads as bad news being hidden.
- Take out *sorry*, *unfortunately*, and *I've been forced to*. All three invite a negotiation.
- Send it and then get on with the day. Don't sit watching the phone for replies that mostly won't come.

> *Explaining is fine. Justifying isn't — every reason you give is something for somebody to disagree with.*

06 Hold it when the first person pushes

Somebody will push back. Probably in the first fortnight, probably somebody you like, and it will feel like proof that the whole thing was a mistake.

It isn't. One person's opinion isn't a market. And before you move, do the arithmetic, because it's the most reassuring sum in this whole guide: if you raise your prices ten percent and lose ten percent of your work, you end the year on roughly the same money having done less work for it. Less driving, less wear, fewer jobs, same income, and more room in the diary for the next enquiry.

That's the deal, and it's a good one. Losing some customers isn't the price rise failing. It's the price rise doing precisely what you asked it to.

It also helps to know that the pushback usually isn't about money at all — what people mean when they say you're too expensive is five different things, and only one of them is the number.

WHAT TO DO

- Decide in advance how many people can leave before you'd genuinely reconsider. Write the number down now, while you're calm.

- When somebody pushes, ask what they were expecting to pay. The answer tells you whether it's the price or the shock.
- If you must move for one person, move something other than the number — the timing, the scope, the payment terms.
- Never quietly go back to the old price for one customer. It always gets mentioned to another one.

> *Up ten percent, down ten percent of the work, same money at the end of the year. Fewer jobs is not the same as less business.*

The customers you lose on a price rise are, with remarkable reliability, the ones who were already costing you the most: slowest to pay, quickest to haggle, first to call on a Sunday. The ones who stay are the ones who were buying your work rather than your number.

And if the quiet months are what's making this feel too risky to do now, that's worth reading about separately — the fix for a thin January is rarely a lower price, and panic-discounting is the one move that makes next year harder too.

> *Work out the number, move it on new work first, tell the regulars before the invoice does, and then hold it.*

Raising your price is much easier when your website already makes you look worth it. Send me yours and I'll tell you what a stranger can and can't work out about what you do, along with what I'd fix. Free, within two business days, and it obliges you to nothing.

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