Scaling Up Services
Episode 232 - Chris Mele
https://www.scalingupservices.com/podcast/232-chris-mele

Chris Mele, Managing Partner, Software Pricing Partners

Chris is the Managing Partner at Software Pricing Partners, focusing on helping software companies develop better pricing strategies.

Chris and his team help B2B software companies develop innovative pricing strategies that delight customers while minimizing risk at every stage of the pricing process. This singular focus has inspired the most advanced monetization methodology in the B2B software industry and delivers top-line growth, better profitability, and higher valuations.

Since 1982, they have helped create pricing strategies for companies like IBM, Dell, Cisco, HP, McAfee, and Microsoft.

https://softwarepricing.com/
https://www.linkedin.com/company/software-pricing-partners/
https://twitter.com/softwarepricing/
https://www.linkedin.com/in/christophermele/

EPISODE TRANSCRIPT

This is an automated transcript and may contain occasional errors or omissions from the originally recorded conversation. While we review and try to correct any of these issues, we don't catch them all and we can't confirm 100% accuracy. Please use the link above to listen to the episode if you have any questions.

[0:02]
You're listening to Scaling Up Services where we speak with entrepreneurs, authors, business experts and thought leaders to give you the knowledge and insights you need to scale your service based business faster and easier. And now here is your host business coach Bruce Eckfeldt.

[0:22]
Are you a CEO looking to scale your company faster and easier? Check out Thrive roundtable. Thrive combines a moderated peer group mastermind expert one on one coaching access to proven growth tools and a 24/7 support community. Created by Inc award winning CEO and certified scaling up business coach Bruce Eckfeldt Thrive will help you grow your business more quickly and with less drama. For details on the program, visit eckfeldt.com/thrive that's ECKFELDT.com/thrive

[0:57]
Welcome everyone. This is Scaling up Services, I'm Bruce Eckfeldt I'm your host, our guest today is Chris Mele, he is managing partner at Software Pricing Partners. We're going to talk a little bit about the whole issue of pricing and how do you go about pricing and pricing strategy. Obviously, we want to gain as much kind of market share as possible. But we also don't want to leave anything on the table. So we're gonna talk a little bit about the strategy around this. And we're going to talk a little bit about how service companies can benefit learn from utilize some of the strategies we use in software to think about how to price, how to package their services in different ways. And then obviously, a lot of service companies are developing software solutions as well. So some examples of how companies service companies are thinking like software companies becoming software companies at different levels to increase their reach, increase their the services they're offering, the solutions they're offering, and hopefully their profits and their scaling. So with that dress, welcome to the program.

[1:52]
Thank you for having me.

[1:53]
Yeah, it's a pleasure. Before we kind of dig into all the things going on in pricing strategies today. Let's get a little bit of background. How did you get into this? What was your professional background, give us the story?

[2:04]
Well, I started at Ernst and Young. So that was the I should date myself. That was the mid 90s, when consulting was pretty hot. Yeah. And I was always on the software side. And so at some point, funnily enough, you don't know where your pathway is at the time. But they got me involved in engagement economics, which is shorthand for profitability and managing everybody's hours and billing and stuff with the client. And so relatively quickly, right out of college, I'm like, so let's see, I build, I made the firm a million dollars, and I got a bonus for 15,000, like I'm on the wrong side of this formula. So that was sort of my first entree. And then in the late 90s, I broke off with a friend and built a software company, and I would be there for the next almost 15 years and around oh eight, we decided to move our software for on prem because that's what it all was during that timeframe to the cloud. And in doing that, we sought out help. And I was getting really frustrated. At first, I didn't know that there was this thing called pricing, I didn't really think of there would be a whole entire set of firms that do pricing. But everybody that I talked to kept talking to me about understanding of customers willingness to pay, which in my experience selling like, you know, I was selling software for five grand and next, you know, I'm selling it for half a million. I mean that I just didn't think anybody really understood what they would pay for your API layer and things that are in the techie world. And then the second thing was that everybody kept talking to me about you know, planes, trains, automobiles, call car dealerships, plane tickets, train tickets, and here I am in software, and I, and I'm thinking like, this doesn't make any sense whatsoever. And so after a long list of presentations, we stumbled on software pricing partners at the time, so I became their customer and got to know the founding team. And one thing led to another when I exited that venture, I ended up here, and I never really would have predicted this particular career. In fact, my wife, I remember in the beginning, there's just so much you know, math and science to what is done. I remember thinking like, you know, in college, they tell you like, well, when are you ever going to use this again? And then here I am stuck in this role. Doing all this math and science. I was like, oh, but it is a whole lot more to it. Beyond that. And I ultimately fell in love with it.

[4:18]

Yeah. And what are some of the kind of dynamics or you know, variables, levers, factors that you kind of end up grappling with, when you get into this whole kind of pricing strategy consideration process, give me give us a little bit of an overview of what you actually look at. When you look at pricing?

[4:34]
Well, you you have a natural tug of war that's going on. So in the world of software or services, and we probably should sort of carve out that our our firm specializes in monetizing intellectual property and we don't care what form it comes in. It just happens to sometimes come in the form of code and a product or a tool or something. I can also come in the form of a service in fact, that's a wonderful testbed, a wonderful sort of place where you plant your intellectual property seeds. And they might grow into products later, because it's pretty quick to bring a service to market, unlike maybe a product that carries with it an investment. And in fact, many of our customers are services firms that are moving over. But the moving over towards more product and recurring revenues and the tug of war is that the company wants to be paid fairly. And we can talk about what that means. And the customer, frankly, doesn't really care if you make money or not, they just want a really good deal and to feel as though that that their particular scenario is being addressed appropriately, which makes them feel special, it doesn't have to be that you give them a discount, but that you've you know, customized thought about crafted sculpted something, you know, just for them, because everybody's unique, I'm sure you've heard that phrase before. And so that that tug of war of you know, they don't want you to go out of business, don't misunderstand. And not all buyers are maybe as aggressive. But in general, you know, they want to minimize and you want to maximize and it's in the middle space in between that we settle on a number. And often our customers complain that the value that they deliver is very rarely captured and what is ultimately agreed upon, and they struggle with getting paid fairly across the broad array of customers that they serve. And that's kind of the that's the game.

[6:23]
If you're curious how much of this is coming up with kind of a price or a pricing strategy for a given scenario or for a given transaction relationship versus, you know, helping a company strategically figure out? Well, look, you should really package this differently and sell it to a different person, because they're gonna see it as much more valuable. And, you know, we'll be able to charge a lot more, we'll have a much higher margin on these things like is this dealing with a particular situation or helping finding new situations where the pricing model is going to be more advantageous?

[6:53]
Well, it's both. And so this gets into fairness. And when you are on boarded into the world of software, for example, or even services, there is a tendency to craft that packaging and pricing and maximize on a customer by customer basis, which if you think through what that means, that means that you and I went and bought a service from consultancy, for example. And let's just say we bought exactly the same thing, like we paid two different NET prices. And sometimes those net prices are wildly different. And that was like the 90s. Right. And I think that story of that unfairness that I'm describing probably originated with the oracles of the world where we're just you know, selling and landing deals, or it might have originated when you start your company, and you're just landing deals and trying to make the revenue flow. But at some point, you know, the organization needs to grow up and be more consistent and uniform and transparent. And when we talk about monetization, how you get that velocity, which means more customers is you have to treat those customers fairly, if I put a data point out in the market where you and I compare notes one day on a flight, you know, post COVID, when we can actually talk and see each other's faces. That then like you don't want us really comparing notes, because unlike in our culture, it's okay to it's not okay for me to ask you what you paid for your first class ticket,

for example. But you know, asking you what you paid Ernst and Young for a services engagement for some sort of scope of work that might have been similar to mine, I mean, that's gonna come up real quick. And somebody's gonna be really pissed off in that conversation if there's a big variation. And as soon as that travels in the ecosystem of buyers, which it does, because that story gets a lot of legs, well, now the buyers know the game is up and procurement gets on board and we start dragging thing, you know, everything just moves in molasses now we take a 30 day sales cycle out to 120 days and things go very wrong very quickly. So we've in a sense, taught the audience that a deal can be had taught the audience of buyers that a deal can be had. So by bringing in uniformity, we eliminate those data points, and then we can compress that cycle because people know they're being treated fairly and everybody just wants to be treated fairly. Nobody wants to buy a used car, right? Yeah. And so insert in services and software, that's a problem.

[9:10]
What Why is that example different? I guess why? Why do we look at you know, what I paid for? You know, a plane ticket. And yeah, I mean, I guess I consumers are, I don't know, if they're, if they understand or they've just submitted themselves to the process of, yeah, one person may paid $100, another person may have paid, you know, 195. Like, that seems like we're accepting of that. But then on other cases, we're not as accepting of, you know, the fact that, you know, different situations might have different prices around it. Like what's, what's the difference there?

[9:39]
Well, we all have those. I mean, even if you were buying, even if you were buying a service gig on your car, I mean, the first place we typically go is to our friends, because you don't want to be taken advantage of and there's certain brands, I actually think it's a more of a brand characteristic or issue than it is I mean nobody really has this disk. I mean, I hate using b2c examples before doing b2b pricing, because that's very, very different. But if you think about it, like, there is not a story that we've ever heard where somebody went into the Apple store and got like, 80% off on their iPhone, because that story doesn't exist, because, because they've never done it, right. But that story exists in other ecosystems. And we're all very adept at picking up on that story. And I think that in the example of the plane ride, you know, if we are talking about Oracle, well, we're gonna be comparing notes real quick. But if we're talking about another software company that was, you know, super transparent with their pricing, which, you know, not many are many of our customers are, but not many software companies do this. And not many services companies do this either, then there's just less questions, less concern. And so I think it's a bit of a yellow or red flag that gets alerted in our mind when we kind of sense and suspect that, you know, there's a deal to be had. And if you ever wanted to test this, you could pick up the phone and call most major software companies, and I'm sure we've all procured software, whether it's sales, software support software, and the telltale flag is the salesperson says, Well, you know, I Bruce, so clutch call me in January is near the end of the month, and I think I can get you pretty special. I haven't even like asked you your last name yet. And we're already you know, kind of wheeling and dealing and that that culture is still on its way out. I think it's been accelerated with COVID. And the desire for transparency and trust. And those brands that embrace that and go through the hard work of standardizing and becoming more consistent with their packaging, and pricing and treating customers uniformly and fairly, are winning just huge amounts of customers over top of the older styles. And I do think they're older and they're, you know, they'll still be it's like COBOL, you know, they're still kind of write programs on that with their own college. Like, there's still COBOL out there. I mean, it's just nobody talks about it. So there's, you know, eventually it'll still be out there. But like, nobody will be talking about it. Very, very rare breed.

[11:56]

So tell me a little bit of process, like when you get engaged with a company, and they're kind of working with you or you're working with them on on these issues, like where do you start? Like what are the first couple of questions are the first things you start to look

[12:08]
at most software companies and software companies but but most software companies are really gapped on two things. Number one, they don't have a complete list in any sort of repository of like, here's all the value we provide and what is covered. I mean, they might have your standard blocking and tackling, buying personas and all this stuff that we use in the sales process. But when it comes to like the value that we provide, it's amazing how many companies privately and publicly held funded in venture backed and not venture backed really can't enumerate all of the aspects of what they do. It's kind of mind blowing, if you think about it. And so the first bridge to cross is you have to break apart your service into like these little imagined, it's like these little Lego blocks that my son has that I can barely get my fingernail underneath, because they're so tiny when he builds his Lego Batman. But like, until we have all the Lego pieces on the board or on the table, it's really hard to build like ultra man, right? Like us, GIS can get there from here. So like, at some point, the organization needs to be led through a series of brainstorming and working sessions to kind of say, well, this is what we're dealing with. And that can be super complicated. That can be super straightforward, but you are trying to not list out well, I have this sort of basic service or capability. But like, this is the problem that I solve. And this is how I provide value. And it's it's drawing the link of how your customers are using that service, or that capability and getting value. And it's in that complete picture that you begin to say, Okay, so now now I have this complete list of things, Lego blocks that I can deal with. Now, the question is back to your original point, Bruce, you know, am I selling to maybe the wrong audience or a better audience. And so it's, it's amazing, but you know, what makes your customers ideal. And the problem that we have in the world of pricing, which we call monetization, and monetization just means packaging, pricing and other elements around holistically thinking about how your revenue model is built, and how you're going to make money. The problem with this is that not everybody, everybody tends to describe their customers in the ways in which would match on how we would pull names from a database. So we think in terms of industries and employee accounts, and si C's or others might try to describe their customers and more blocking and tackling marketing tactics like these are my buying personas. And these are the people I see in the sales process. And both of those perspectives are horribly wrong when thinking about monetization, because you want to think about the ways in which customers experience value and the ways in which they share similar needs and wants has to do with the problems that they're trying to solve and the manner by which they are interested or not interested in this sort of list of capabilities that I discuss. So if you can describe customers in ways in which they are ideal for you, in the use of your services, it's much more powerful than describing them with standard characteristics like employee size, that sightsee industry segment, blah, blah, blah, because those things don't really describe somebody that what describes them as how they're achieving value and how they're using those services and turning that into value for their customers. And once you do that, you end up with this sort of bottom up view of your go to market strategy that says, aha, so this is what everybody values and I can put them in groups. And I can simplify things. And I can say, well, now that these customers are all similar, well, gosh, they're in like seven different markets. And I thought they were so oddball, but they're actually very similar in what they need. And when you when you do that, which again, customers are customers, and many publicly and privately held venture not venture backed, yeah, they end up not sort of having this playbook, they end up with the more mechanical description, and that doesn't that pollinates a lot of Miss hits into the marketing and sales process, because it just lacks a level of specificity, it lacks the wrong lens. And so when you have these two pieces of the puzzle, and you put them together, it's like the, you know, the fog of the glasses sort of comes off, you're like, oh my gosh, so this makes a lot of this is who I should be talking to this is how it should be structuring my

service offering, this is what they really need. And, and you begin packaging to the sweet spot, you can think of it as a sweet spot on the tennis, right? It doesn't mean you won't shank a ball now a man off the rim, which I do quite a bit in tennis, but like you can still pull those customers in, it's just that you might tell them, I know you want to feel special bruise. And because I know that you're not ideal, for example, because I've gone through this homework assignment, I know you want to feel special, and you really want to buy below this minimum threshold. But I'm sorry, we don't do that. And so again, you might have to make a decision that says, well, I'll buy it the minimum threshold, even though there's some services I may not use, or you'll say no, thank you, I won't buy. But often the services organization when they start especially I just want to serve everybody.

[17:03]
Yeah, yeah, I call it chasing money. And they just want to change that. There you go. Yeah, just yeah,

[17:07]
i And it's funny, literally a publicly traded company, to find their ideal customers, as ones that have money, like, well, you know, we could probably be a little bit more specific. And if we're more, of course, we can be a lot more specific. And we were and that, you know, aligns the organization towards much more efficient customer acquisition.

[17:28]
Yeah, any examples. I mean, I'd love to ground this and just like a an example of how you know, a company, and you don't need to name names, necessarily, but just like how you've gone through that process, or our company have kind of discovered that kind of sweet spot.

[17:42]
Well, we call this having a perspective. And often, we're so wide around the customer, we treat this more democratic, like, let me survey everybody and see what they want. But you know, you have a perspective and you're, you're a smart guy, and you have a mission that you're beholden to in the organization, and you probably have some objectives that you're trying to achieve profitability, or maybe industries you want to get into, or things you want to create as new services to try. But the having a perspective means that you are going to go through this homework assignment. And if you picked a particular beachhead, rather early on, or later that you felt was ideal, and then you started to get into it, assuming you have the appropriate sort of reporting or closed loop kind of view to say, Hey, I'm putting out this hypothesis. So everything in pricing and packaging, we always talk about, it's always a hypothesis. I mean, there just is no, this is a game of assumptions and, and looking at the mosaic and good judgment. So it's a hypothesis that needs to be validated, then we begin making tweaks. And this is the this is the core of the issue in pricing, whether it is services or whether it is product, again, we're just talking capabilities, think of it as intellectual property, don't care what form it comes in, then we want to ask ourselves the question, you know, what is it that we're ultimately trying to get the customer to sign up for so if we are going through sort of this exercise, if you will, we are trying to get a process to be instantiated to be set up. And if we treat this as a characteristic of the service, we tend to think of it in the form of an event, you know, we build the service, we spend all the time on the fun stuff. ideating what we're gonna do for our clients, and how great it's going to be, and oh my gosh, we can turn this into a product one day, and this will give us recurring revenue, and everybody's like, you know, jammin in the session, but like, nowhere in the session is, are we talking about sort of the structure of the things that we're talking about here, packaging, pricing and other elements? And when you think about pricing as an event or a characteristic well, then you tend to do it once and then it's like done, but if we talk about it as a hypothesis, and we talk about it as a process, you begin to see that this is a function that should be existing inside of a software

company or a services company. And it's called monetization, we would propose in larger companies, it has a chief monetization officer that does this as well, because it's horribly complicated as the organization gets larger. And the reason for that is because we're an intellectual property. And the wonderful thing about intellectual property is it can change tomorrow, in a services in a software mindset, we have to code but we can still do that pretty quickly. If we prioritize it in services, like, you know, three guys can sit in a room and be like, well, let's add that as part of the service. And, and if we don't have this process, well, then you could imagine over the course of a year, somebody would say, well, it just seems like that service delivered so much value Brewis. And we're only charging X for it. And of course, what happened over the year is it's now twice as big, but nobody really thought about monetization along the way. So now we've, you know, kind of disjointed the value that we provide, we're delivering a ton more from, you know, what the clients are paying. And that's where the problem lies. And so this is all just a long winded way of saying that monetization, this is back in the 80s, we had proposed this, this was actually the first firm that started software pricing in the world. And what was proposed was that that monetization is part of the product design. It's part of the customer experience. And if you think about that, you'll realize that if you've ever just as a US for an example, my son came up to me and fell in love. He's eight and he fell in love with a game called infinite Lagrange. And it's like this, you know, build battleships, Armada Battlestar Galactica kind of stuff, and built into the game is you can upgrade your base forever longer waiting times, like we're talking like 24 hour wait times, but don't worry, if you get impatient and want to accelerate that you can spend these coins that you can buy for real money. So Hmm, I wonder, I wonder if it's possible that that monetization strategy affected that game design? And of course it has, because who wants to sit? Hey, Bruce, do you want to go do something together? In a game on Friday? You're like, yeah, okay, great, I'll send my upgrade. And shed is going to take, you know, 40 hours to do that. And now you and I can't play on Friday, because we're waiting. But if you want to spend real money, you can accelerate it. So that's an example of a wonderful game, whose customer experience has largely been ruined by the monetization strategy. And I think the more that you think about that product design also includes how you're gonna package on price for it, the more that you'll have very successful products and services.

[22:32]
Now, in terms of the actual, I guess, pricing mechanic strategies, how much are you looking at, you know, kind of one time fees versus subscription versus, you know, rev share versus you space price? And we would, how do some of these different kind of mechanical models come into play, when you look at what strategies you'd be using for which clients?

[22:53]
Well, we call that licensing. So you can think of that as like what's in the Quantity field of the contract, or you're counting hours, which is pretty common in services. And, and there's a an analysis that goes with that, and a framework and ways to think about that, likewise, with packaging, likewise, with pricing, which is what makes it so complicated, because we have actually separate teams that specialize in each one of those three disciplines. And then we have to integrate them together. And that's why it's really difficult to have like one person do this for you, you really want to a team, and much of what we're talking about here, by the way, is is how pricing intersects selling. That's that's the magic, right? So in licensing in this quantity field, you're trying to well, let's use time and materials. As an example, the quantity is the number of hours. Now, the problem with the number of hours is let's take a lawyer, for example, you could be billing for $100 an hour, which is, you know, arguably kind of obscene from most painters who don't want to be spending money on legal but then like, you start getting billed in 15 minute increments, and that's super obnoxious, but like, then you'll get into intellectual property lawyers, six 700 $800 an hour, you know, experts in that arena can be over $1,000 an hour, but you're never going to see, you know, Bruce at 10,000 an hour, like it's just not, it's not reasonable, like

nobody can emotionally but Well, I'm sure there's somebody but like most of the time, like 99% of the time, there's a cap there. And that's the problem with that decision, and why many people want to move towards consumption or recurring and other things because in a services organization, you tend to start in time and materials because you don't have a library of projects by which to derive, hey, every time I do this type of an assessment, I kind of burn 200 hours and hey, every time I do this other kind of deliverable or work product, usually in a services organization, you have a WBS or work breakdown structure, deliverables, work products, and you've kind of figured out over the years how to deliver those routinely and you can therefore set a price The trick though is that that's technically cost plus, which says, I'm looking at my labor rate, I'm paying Bruce $100 An hour and I'm billing him out at 400. Or when I was at Ernst and Young, you're paying me $15 An hour billing me out at 250. And so that that function is, if you think about it decoupled from the value that that assessment might be providing, or that work product might be providing. So the first step that a services organization has to go through is to get off of time and materials and counting up hours and custom scoping to Hey, what's my WBS? Like? What are my deliverables? What are my work products? And then how are those specified? And how much time does it take. And once I get away from time and materials, my first shift is to get more into I'm selling work products. Well guess what happens when I sell the work product, like I don't have to sell you my hours anymore. So if I took me 20 hours, and let's say $1,000, to give you a work product? Well, if I quoted you a work product at $5,000 and correctly tagged its value, I can now break the mold from the hourly rate so that what I just described is a bit of a licensing switch in the sense I'm not charging my hour, I'm charging on some other basis. And it's not exactly a licensing switch. But within the context of this discussion, I've now transformed the organization to break the link to my cost, right? Yeah, break the link to the limit that buyers have. I'm not paying Bruce $10,000 an hour. But hey, funny enough, I'll pay him 10,000 For an assessment that takes him an hour because it's templated. You see what I mean? So that implies a sophistication level. And then the next step after that is to begin to say, well, do I have tools and other things? Before I can get into higher forms of margin, I need to not sell a body, I have to sell something that's more like a tool or software, something that gives me some economies of scale, which can drive my margins?

[26:53]
Yeah, yeah. It's like the old the joke of the guy hanging the picture, you know, bills them $1,000 for hanging the pictures, I could have put that nail on the wall. And he was Yeah, but he never was he isn't that hard. It's the 10 years, I've learned to figure out how to how to put the nail in the right spot that you're you're charging or that I'm charging you for it. Right. So the knowledge and the background, not the actual swinging the hammer itself. But how I guess how, how can companies kind of start thinking about this, like if I'm a service company, and I'm kind of in this tyranny of the hourly rage, and they want to figure out how to break this connection? Like, where's the best place to start? Well, the

[27:25]
best place to start is to go back to kind of the start of the conversation, which is, you know, what, what's that list of all of the things inside my service offering that my customers value? And then secondly, you know, how do I describe my customers and the ways in which my service solves their problem, and they convert that into their value? So that's sort of the, the, to the to stepper there. And then underlying that is how do I collect my historical projects? You know, it's amazing how many companies just don't have a repository of the detail of what was sold. I mean, they might have something in Salesforce that says as 15 grand assessment, but like what, you know, assessments in this example, aren't all created equal. Right. So yeah, you know, there's varying I mean, that's the beauty of intellectual property. I mean, it's a gradient. So if I was a service organization, and I had a five different types of projects, we'll just take project type three, you know, I would, I would want to go through the history. And I'd want to begin saying, Okay, was it really type three, or was type

three customized in some way, like this was really 50% of type three? And I'd want to start saying, well, like, what did I charge and what you're going to see is that as you began collecting that data and adding fidelity to it, it gives you a nice map on on your ability to extract value, and that is your initial perspective on your value. And that's a much superior way of determining what your customer you know, it's very dangerous to survey somebody who doesn't control the budget and says, pay a million dollars to bruise per hour, you know, next thing you know, you see that in a pie chart somewhere, right, aggregated up across 10,000 bruises and everything, Oh, heck, yeah, let's raise our prices. And then like, all the demand disappears, and nobody can figure out why our sales have plummeted. Like, that's not that's just horribly inaccurate. And there's no science underpinning that approach whatsoever. But developing that perspective, if you think about that service, and its evolving, offering, if you could understand that it was sort of in this shape in the beginning, and then it was, you know, twice as more valuable at the end. And in the beginning, I was charging $15,000 for the service. And now I'm charging $45,000 for the service that across all of my services, and my customers gives me a really nice picture of an initial perspective I might have at value from which then we can debate. Well, that was horribly undervalued because all those deals just sailed right on through and like nobody even asked a question on price, just like no one push back or like the friction was so terrible, and we could barely get a deal through and I think that like that gives you again, Those Lego kits on the table to say, well, this is kind of our starting point. But often, the organization and the teams will jump in and start ideating on adding things to the service, morphing the service into a recurring thing. You know, like all this other or just Babe Ruth thing, where you sit down and go, You know what I really think there should just be a flat fee up front, and then a per hour component, and we're going to do this other thing, and let's roll. Like, that's all just make them up stuff. But if you start with the reality, it's just a much more science based discussion, a much more accurate discussion. And I'd wrap up by saying, when you have a vibrant services ecosystem, and you begin messing around with prices, unlike I can pull a feature back maybe, you know, some levers that you pull in pricing, you just can't pull back. So you have to be really, you know, demand dries up because you doubled your prices. And then you decided, well, I'm just gonna, oops, next month, put those back where they were. I mean, don't be surprised if demand doesn't bounce back.

[30:58]
Chris this has been a pleasure. If people want to find out more about you and the work that you do. What's the best way to get that information?

[31:03]
Softwarepricing.com.

[31:04]
Excellent. Make sure the URL is in the show notes here. Thank you so much for taking the time today. It's been great.

[31:09]
Yeah. Thanks for having me, Bruce.

[31:11]
Thank you for tuning in to today's episode. Be sure to subscribe using your favorite podcast app, so you don't miss our future episodes. See you next time.

[31:20]
You've been listening to Scaling Up Services with business coach Bruce Eckfeldt. To find a full list of podcast episodes, download the tools and worksheets and access other great content, visit the website at scaling up services.com, And don't forget to sign up for the free newsletter at scalingupservices.com/newsletter

About Scaling Up Services

Scaling Up Services is a podcast devoted to helping founders, partners, CEOs, key executives, and managers of service-based businesses scale their companies faster and with less drama.

For more information and a list of recent episodes, please visit https://www.scalingupservices.com

About Eckfeldt & Associates

Eckfeldt & Associates is a strategic coaching and advisory firm based in New York City and servicing growth companies around the world. Founded and led by Inc. 500 CEO Bruce Eckfeldt, E&A helps founders, CEOs, and leadership teams develop highly differentiated business strategies and create high-performance leadership teams who can execute with focus and rigor. Leveraging the Scaling Up, 3HAG, and Predictive Index toolsets, the firm has worked with a wide range of dynamic industries including technology, professional services, real estate, healthcare, pharmaceutical, and cannabis/hemp.

For more information, please visit http://www.eckfeldt.com/ or email us at info@eckfeldt.com.