



Creating value from the billable hour

Jennifer Bauldic, CPB



CPD Process

In order to receive CPD credit

- Be sure to sign in or scan your badge for this session
- You must stay in the session for the duration of the training
- This session is eligible for **1 hour of CPD**
- CPD certificates are emailed directly to you within 4 weeks of the conference date to the same email address you used to register

About today's speaker



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Cash Coach

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2019 Top ProAdvisor: Americas

Agenda

- Hourly billing – pros and cons
- Creating value
- Building value conversation
- Pulling it together



I started my business because I wanted to punch a clock and sell discounted hours to my customers.

- Said No One EVER





**I started my business so I could put
a cap on my earnings.**

- Said No One EVER



Why did you start your practice?

Passion – Engage in work you love

Solve a problem

Support yourself/your family

...

IMPORTANT THING: If you are not planning for profit, you have a hobby.

Why choose the billable hour?

- Easy
- Fair
- Understandable
- Measurable

This is often the perspective of the business owner.
Looking for an “easy” solution.



Is there a downside?

- Easy – really?
- Fair – who decides?
- Understandable – to whom?
- Measurable – multi-speed?

The billable hour has its own perception challenges.
It's based on viewpoint. Owner – Employee – Customer



What about the math?

Hourly @ \$50 per hour = \$60,000 annually

- 5 hours per day
- 5 days per week
- 240 days per year
- 10 days vacation
- 10 days statutory holidays
- 0 Sick days

ASSUMPTION: ALL hours are 100% billable – no discounting or write-offs.

Defend your billable hour

Some of the arguments I have heard...



- I bill more per hour
- I pad the bill
- I work 8 hrs a day
- I have a PITA fee
- Clients never question my bills

....

What about the math?

\$60,000 gross LESS expenses

- Cost of Apps + software
- Benefits
- Insurance
- Supplies
- Conferences
- Cash reserves **

** New equipment – cell phone, computer, scanner.

** What about savings to bridge a slow period?

What's left for you?



- Uncertainty
- Stress
- Feeling Undervalued
-

**How can we
CREATE Value ?**



How much value do you place on this road?



Creating value begins with identifying value – we know it when we see it.



How do you value this?

Three things to think about

- Deliverables
- Tasks
- Value

Make a list – Check it twice – Refer to existing customer experiences.



Let's compare

Monthly bookkeeping

- Post payables + payments
- Post deposits
- Reconcile bank + credit cards
- Provide financial statements
- File HST Returns quarterly
- Yearend closing entries

Does this sound complicated or technically challenging?

How many hours per month does this take?

Let's compare

Monthly bookkeeping

- Validate and code payables/ expenses
- Request missing bills/receipts as required
- Verify deposits + post to QBO
- Review AR monthly for collectible items
- Review AP and follow up on payments to issue
- Reconcile bank (x2) + credit card (x3) accounts
- Prepare and review financial statements
- Provide Weekly email update re: _____
- Monitor App connections + re-connect when needed
- Monthly transaction review to ensure proper coding and tax handling; re-classify when needed
- Record unusual transactions (write-off, fees, accruals)
- Prepare and file HST Returns quarterly
- Review data and prepare Yearend closing entries

Does this sound complicated or technically challenging?

How many hours per month does this take?

What else should we include?

- Monthly meeting to manage and measure benchmarks
- Semi-monthly call to plan and manage cash flow
- Pro-actively monitor App ecosystem for workflow improvements
- Monitor CRA 'My Business' Portal for communications

Number One complaint of Business Owners is that they don't receive any Guidance or Advice.

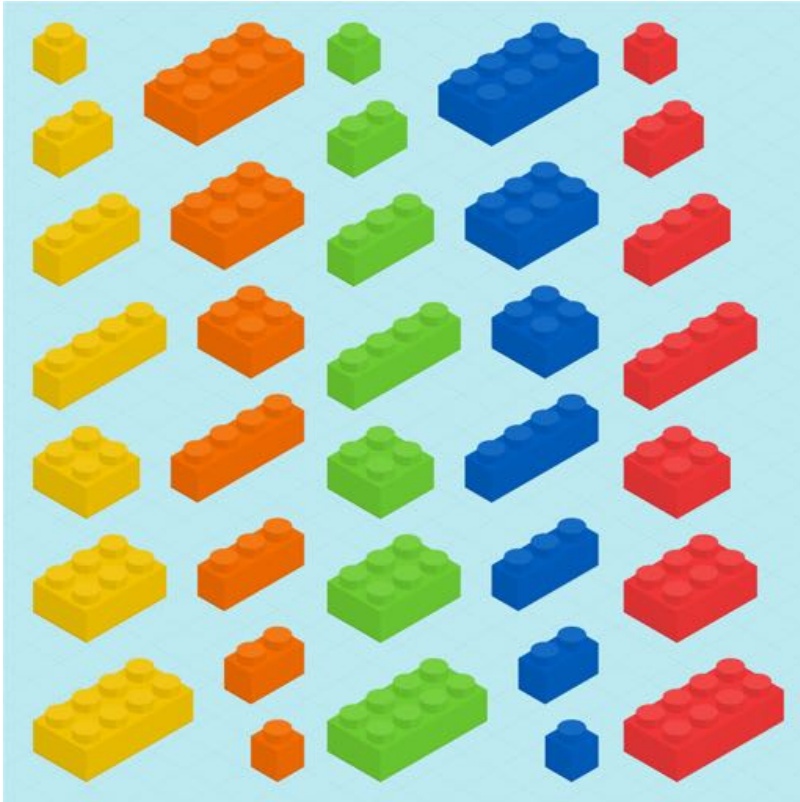
What else should we include?

- Provide feedback and instruction re: best practices
- Identify opportunities and upcoming challenges to be addressed
- Items that demonstrate that you “CARE” and transmit that confidence to your customers

IMPORTANT THING: Advice CANNOT be billed by the hour.

Building your offering

This is your custom list



- Revise the list to be specific to your business.
- When reviewing the list and hear yourself say “I could do that.” Remove it from your list immediately.
- Focus exclusively on your strengths and the services that you are passionate in offering.
- This may also include industries / niche markets
- Experience = Quality = Specialty = Top Value \$\$

Building the value conversation

This is your friendly fact-finding mission

- Bring your Services List
- Prepare your questions in advance
- **LISTEN** and take notes
- Be prepared to say “No, we don’t provide that service.”

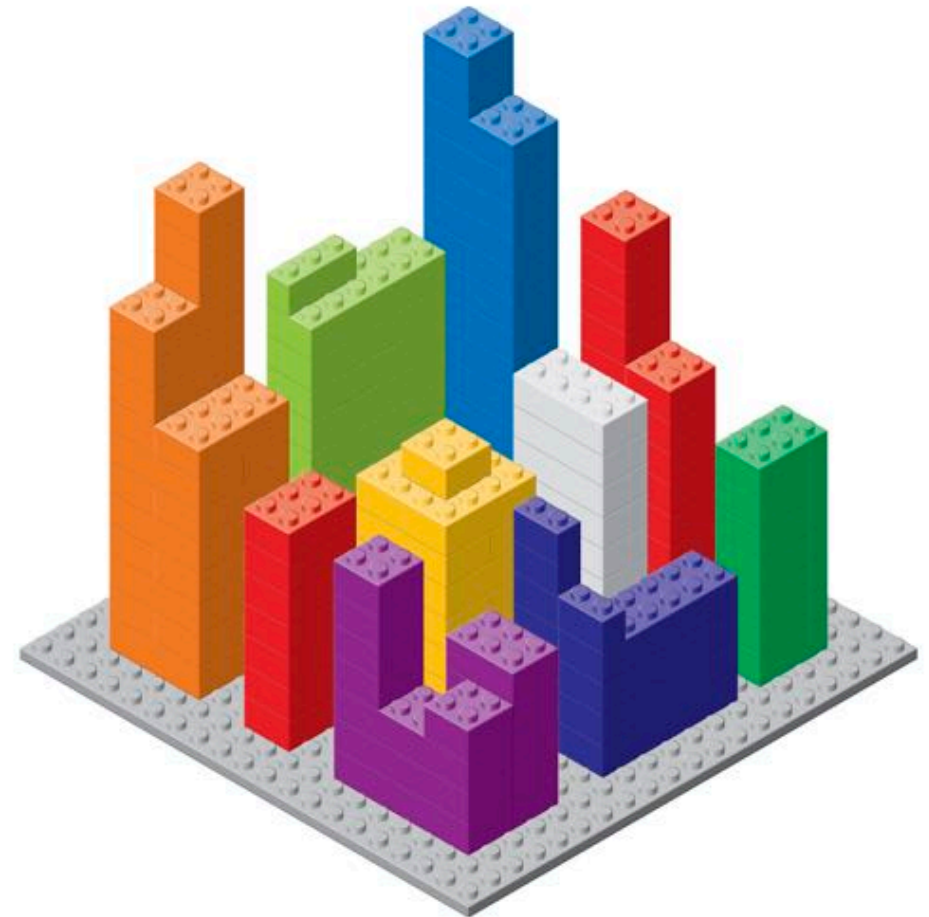


- **LISTEN** and ask clarifying questions
- ASK “Please describe that to me.” or “What does that look like to you?”
- When you “think” you know what they mean, repeat it back to be sure

Why it works

By focusing on your strengths, you will gather a portfolio of loyal and appreciative customers

- Each customer will have a custom price
- Each customer will have a specifically detailed Service Agreement (and Change Orders!)
- Your workload will fit in your work schedule
- As your schedule fills, it is easier to increase your value



Let's pull it all together

Before you know it, you will have dropped the billable hour in favour of pricing the value of your work

- Decide what you do
- Assign a Value to each item
- Prepare Custom Proposals
- Create Service Agreement
- Add Change Orders as required
- Increase Price Annually





If the customer says your price is too high, what they are really saying is, “I don’t see the value in your offering.” It is not a question of money; rather, it is lack of belief.

- Ron Baker, Implementing Value Pricing





What's Next?

For a copy of my Excel Proposal Template
and a 30-minute Consultation...

Email: Jennifer@jetstreamadmin.com

Subject: QBConnect Proposal Template

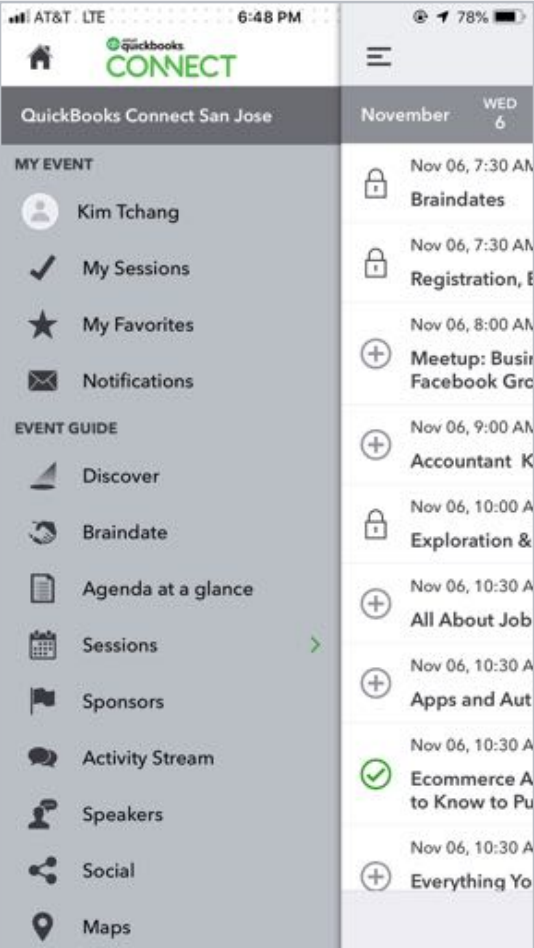


Questions?

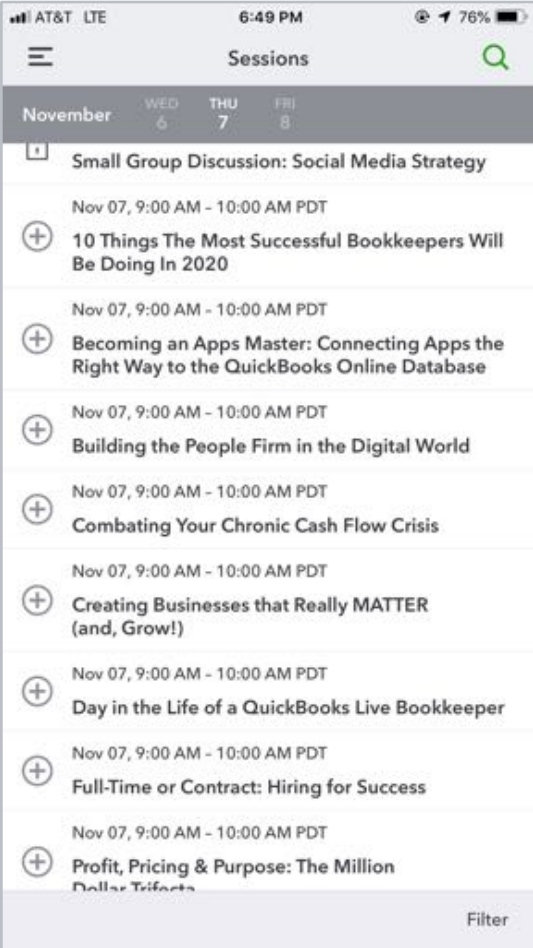
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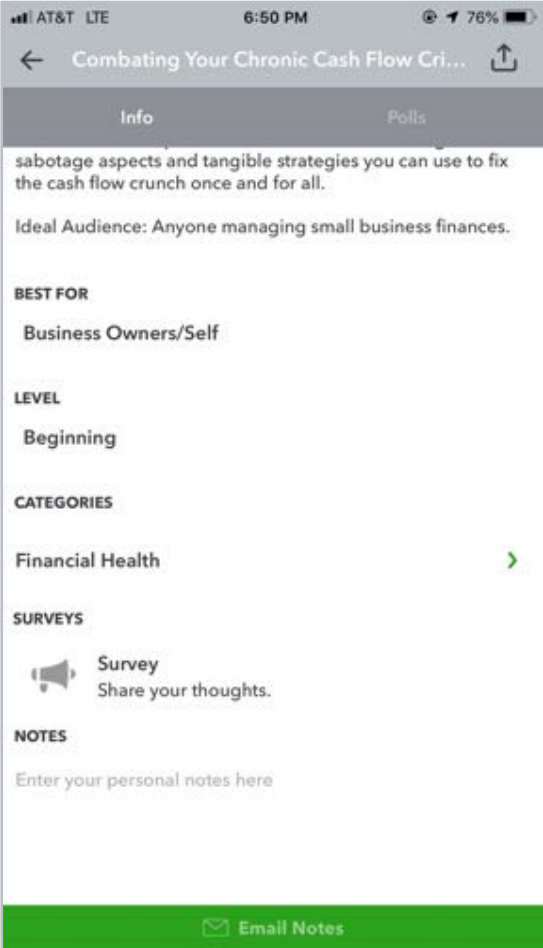
1. Select Sessions



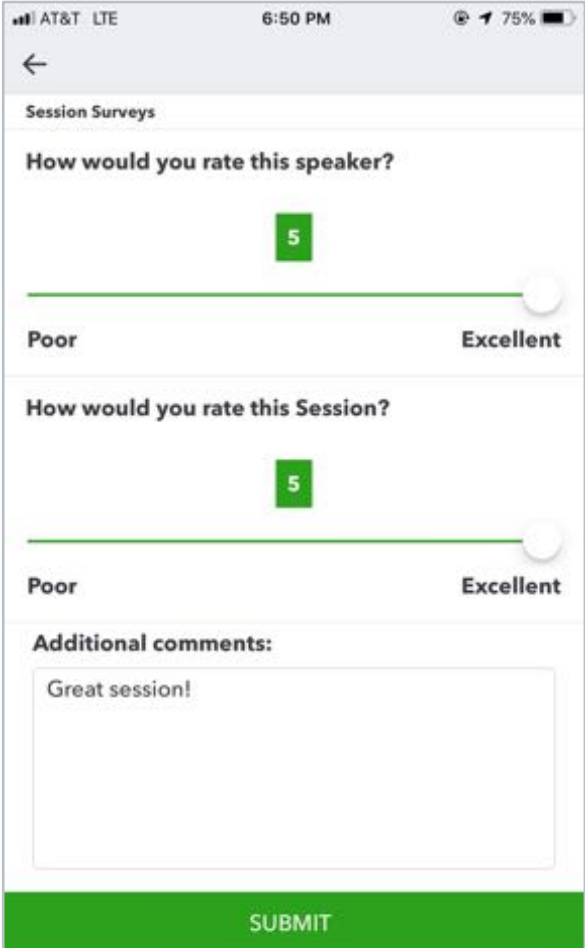
2. Select Session Title



3. Select Survey



3. Add Ratings



Material Download

1. Find the session on the agenda
2. Select + for more information
3. Download PDF of slides and/or supplemental material

<https://can.quickbooksconnect.com/agenda/>

The screenshot shows the QuickBooks CONNECT agenda page for December 10. The page has a green header with the QuickBooks logo and navigation links: Why Attend, Agenda (selected), Speakers, Pricing, Sponsors, Travel, and FAQ. Below the header, there are tabs for December 9 (Accountant Day), December 10 (selected), and December 11. A 'Print Agenda' link is in the top right. A paragraph describes breakout sessions. A search bar labeled 'Search for sessions' is present. Below it are filter buttons: Organizational Culture, Life & Business Skills, Technology Training, Business Growth, Advisory, and Financial Health, with an 'Expand all +' link. The agenda list shows sessions from 7:30-9:00 am to 11:00 am-12:00 pm. The 'Breakout Sessions' section is expanded, showing details for 'Creating Your Small Business Culture', including a description, ideal audience, best for, speakers, location, track, CPD hours, and level. Other sessions listed are 'Understanding Personalities for Better Communication' and 'How to Use QuickBooks for Your Small Business: Introduction'.

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Why Attend Agenda Speakers Pricing Sponsors Travel FAQ

December 9
Accountant Day

December 10

December 11

Print Agenda

Attend breakout sessions to learn strategies to grow your business, how to hire and build an ideal culture, tips to improve your financial health and more. Connect with peers and experts for one-on-one learning. More information coming soon.

Search for sessions

Filters: Organizational Culture Life & Business Skills Technology Training Business Growth Advisory Financial Health Expand all +

7:30-9:00 am Registration, Breakfast & Exploration +

8:00-8:45 am Meetup: New to Networking +

9:00-10:00 am Morning Keynote +

10:00-11:00 am Exploration & Connection +

10:15-11:00 am Meetup: Women in the Workforce +

11:00 am-12:00 pm

Breakout Sessions

Creating Your Small Business Culture

Many solopreneurs and small business owners feel like they don't have time to work on their company culture (or that they even should). Instead, they spend most of their days working in their business rather than "on" their business. In this session, you will receive tips on how to reduce stress, improve productivity, and improve your personal fulfillment all through the nurturing of your crew, your clients, your fans, AND yourself!

Ideal Audience: Business owners looking to enhance their culture.

Best For: Business Owners/Self-Employed

Speakers: Tamia Madenitz

Location: Room 201 CDEF

Track: Organizational Culture

CPD Hours: 1

Level: Introduction

Understanding Personalities for Better Communication +

How to Use QuickBooks for Your Small Business: Introduction +



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