

Ep #16: Price Vs. Cost and Why it Matters



Full Episode Transcript

With Your Host

Becca Pike

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Hey guys. Welcome to episode 16 of *The Hell Yes Entrepreneur*. I'm your host Becca Pike. And today let's talk about a realization that I had with a friend, and why this realization has immensely helped my students and myself sell their services. Let's go.

Hey, guys. I'm Becca Pike and welcome to *The Hell Yes Entrepreneur* podcast, the number one show for entrepreneurs looking to create their first six-figure year. If you've got the drive and you know how to hustle but you're not sure where to channel your energy, we've got the answers. Let's dive into today's show.

What's up folks? I am loving podcasting. I'm going to be honest. At first, it was weird. I never really thought about what it would exactly take before launching my podcast, but here's a rundown. So I sit alone staring at a wall talking into a microphone about the things that I think you guys will want to learn about, right? I put myself out there. I speak, but like no one's looking back at me. No one is nodding their head. No one is showing me that what I'm saying makes sense. I'm just looking at drywall in my pajamas praying that my kids don't walk in. It's weird, okay. It is.

I feel like I'm starting to finally really truly love. It's been four months. While I'm walking around my life and things pop up, I'm like oh my god this would be fantastic for the podcast. Oh my god, people would need to know about this right. I'm always jotting stuff down. I'm getting more comfortable, and people have started coming up to me and talking about how they love different episodes. That is such a treat.

So I just want to give a big mushy love and appreciation hug to you guys. Especially those of you who have listened from the first episode. I can't tell you how much that means to me. There are people out there who have listened every single Wednesday and not missed a beat. You guys are MVPs, and you make me want to create more and better and awesome content. So thank you.

All right guys. Sexy acceleration time. This one comes from one of students in my Three More Class. Her name is Ashley Nicole Kelly. Three More is

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an organic marketing class for entrepreneurs to teach them how to get out of their comfort zone with selling. This is what she wrote inside of our free Facebook group Hell Yes: The Entrepreneur's Circle.

She said, "I'm in Three More right now, and I am blown away by the content that we are getting every week." Then she put like three mind blown emojis, you know? Then she said, "If you own a business, you need this more than you even realize. The weekly Zoom calls, the videos on your own, and the group assignments make it darn near impossible to phone it in. You will be forced to show up and put in the work. As a business owner, having the accountability is everything. I have booked my first client out of my Three More so far, and she is a dream client that I never even knew existed in the world."

Yes. Yes Ashley. You are such a boss. You are one of the most talented photographers I've ever met. I love working with you in your studio and watching you grow this company of yours. You make it so easy to be photographed. Anybody that's looking for a photographer in the Lexington, Kentucky area, Ashley Nicole Photography has got it down. Okay. Huge shoutout to you.

All right. Let's jump into this lesson for the day. So today I want to talk about something that is so simple and so profound. So this concept was first introduced to me by one of my good friends and colleagues John Fox who is a business coach here in Lexington and one of my favorite humans.

Do you ever have those people in your life that just get you and they get your humor? Because they do, you somehow manage to be way funnier around them because they get your humor? That is John Fox for me. I am the funniest version of myself around John because he is so funny, but in a weird way like me. So he is very dry, and stone faced as he delivers his jokes, just like me, and he uses sarcasm, but not in a mean way. Which is hard for people to do. That is super appreciated.

One day John said something to me, and he said it so nonchalantly, and it like rocked me. It was so simple and so profound, okay. He said in passing

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that cost and price are not the same thing. So let's dive into this concept. When someone asks you what your service costs, you give them a number. When someone asks you what the price is of your service, you give them a number. So what's the difference?

So John and I were talking about price versus cost, and he said, "When I ask my clients if they're more concerned with cost or price, they don't know the difference. Price is your investment in the specific product or service. Cost is what you pay tangible or intangible if you don't invest or if you use an inferior product or service."

So what if I asked you this guys. What is the price of a lifetime personal trainer? You may say \$70 per hour. You can calculate out what that would look like over the course of a lifetime. What if I said what is the cost of not having a personal trainer? Your answer would be something along the lines of not fitting into my clothes, low energy, inflammation, type 2 diabetes, fatty liver disease, asthma, compromised immunity, low energy, brain fog, low sleep quality, exhaustion, extra body fat, lower self-esteem, frustration with my health. Right?

The price of hiring someone to watch your kids so that you can work. Okay? About \$20 an hour. The cost, and I know this one so deeply because for so long I ran my business without any help at home. I just couldn't afford it. I didn't have the ability to. Now that I have someone that can come to my house in the mornings and help me with my kids so that I can work.

The cost of what I would pay if I didn't have that help is so obvious now, right? I no longer have to work late into the night once they're asleep. No longer losing time to myself and my spouse because of my extended work hours. There's no more irritability towards my kids because I get this four hour window of a break while someone else watches them so that I can work. I am less stressed. My cortisol levels are not through the roof, right? They also get to experience interacting with other adults, which is priceless.

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So what about this one? The price of marriage counseling if your marriage is on the rocks. Probably like \$5,000 or so. The cost of not going to marriage counseling if your marriage is on the rocks? Divorce, lawyers, heartbreak, split family, child support. The price of proper footwear? \$130. The cost of not getting proper footwear? Blisters, calluses, achy feet, misaligned knees and hips, back pain. Right? Hiring a business coach? \$5,000.

Cost of not hiring a business coach? Wasted time, wasted money, miscalculated expenses, missed opportunities, spinning in confusion, frustration. For me with this one the time is the biggest asset. Can people grow businesses without a coach? Hell yeah. They've been doing it forever. We've been doing it for as long as time has been time. Does it usually take them years of trial and error? Yes. Hiring a coach is the fast route, right?

With all of these examples, do you see what I'm laying down here for you? It's pretty simple, right? Here is why it's so important for you when it comes to selling your product. The moment that you start deeply believing that the cost of your client not working with you is more than the price that they have to pay to work with you, you will sell way more services, make way more money, and help way more people.

I was just talking about this to my students in my Three More class. We were on a Zoom call. For all of my listeners who have been in Three More, you guys will totally understand and see so clearly this example.

I said to them, "Look guys. You all paid to be in this class. You paid \$1,500 to be here. If someone tells me that the price is too high for this class, I don't wallow in concern about my pricing. I don't start thinking that I should lower my price. I don't start making it mean something about me. I deeply know that the price is super low compared to the cost of not taking this class. If someone thinks the price is too high, I truly believe that they haven't just calculated out the cost of not joining."

I said to them, "In this class, you guys are learning how to sell your product so efficiently it will pay back the investment hand over fist. It's obvious. The

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cost of not joining this class is continuing to not know how to sell your service. Feeling icky when you sell, feeling confused, avoiding selling, not knowing where or when or why or how to market properly, and hoping that things get better. Not having a plan or a blueprint, right? You'll lack accountability, clarity, focus, consistency.

So here's why this is important. Because of my attitude towards this class, I am a selling machine. Feeling icky about selling comes from feeling like you're selling something to a person that they don't necessarily need or want or it's not going to work for them. We don't feel icky when we feel like we are truly helping people through our service. I deeply know that the cost of not joining Three More is way higher than \$1,500. Can you see how this changes the way that I show up when I'm selling it and when I'm talking about it and when I'm helping people decide whether or not they want to join?

Your thoughts and your feelings about your service shine through when you're selling it. Knowing the cost versus the price of your service is everything. If you're having trouble with this at all, I highly suggest to write down what it costs for someone to not work with you.

So here's an example. So if you're a boat repair company, what does your client's life look like if they don't repair their beloved boat? Just off the top of my head I can tell you that they may experience less family time, less leisure time, maybe less fish for dinner if they're a fisherman.

Then we take those three points, and we can extend them even further. Less family time may equal more frustration in your marriage, more distance between themselves and their kids, which can mean problems in school for their kiddos. It can cause a ripple effect all the way to their home happiness if they are a family that is used to going out on the boat every weekend and they decide not to for a whole summer because their boat needs repairs.

If they're not fishing as much or eating as much wild caught fish, their omegas are down. When you don't have enough omega fats in your body,

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you deal with leg cramping and fatigue and exhaustion and problems with sleeping and concentration.

So I know it sounds like I'm going out on a limb here when I connect not getting your boat fixed all the way to problems sleeping and leg cramping, but this is how my brain works. I think sometimes we get trapped with our blinders on. We might think, "Well, I'm just an old boat repairman. All I do is repair broken boats so people can go use their boats again." The truth is no. You help people so much more than that. You help people make family memories. You help people relax. You help people eat organic beautiful lake fish filled with omegas and protein, phosphorus, and riboflavin, okay?

What if you started looking at your company with every ounce of the ripple effect that you can take responsibility for? You're not just a chef. You're not just a housecleaner. You're not just a lawnmower. The cost of someone not using your service extends deep into the intricacies of their life, their family, their happiness. Tap into that place and then sell your service.

If you want help with any of this, contact us at hellyescoachingonline.com. We have business coaches and classes that will help you grow your business, get your life back, and kick ass. All right guys. That is it for me today. I hope you all have an awesome rest of your week. I so look forward to chatting with you guys next week. Cheers.

Hey guys if you enjoyed today's show and don't want to worry about missing an episode, please be sure to subscribe and follow the show. If you haven't already, I would really appreciate it if you could leave a rating and review to let me know what you think and to help others find *The Hell Yes Entrepreneur* podcast. It doesn't have to be a five star rating, although I sure hope you love the show. I just really want your honest feedback so I can create an awesome ass podcast.

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