

# Find the floor for each service

The cost floor is the lowest price at which a service pays for itself. Work one service at a time.

Type in the fields or print. Use your own invoices and records. This worksheet does not recommend prices; your costs, demand and positioning decide them.

## 1 Work out one cost floor

Service as named on your menu

Current price

Product and supplies per visit (P)

Appointment + setup + cleanup minutes (T)

Hourly pay you want (H)

Your time cost:  $H \times T / 60$  (Y)

Monthly overheads (O)

Hours actually booked per month (B)

Overhead per hour:  $O / B$  (R)

Overhead for this service:  $R \times T / 60$  (V)

Subtotal:  $P + Y + V$  (S)

Card fee rate, e.g. 0.03 (F)

Cost floor:  $S / (1 - F)$

Current price minus floor

Divide overheads by booked hours, not open hours. If the current price is below the floor, every booking of this service loses money.

# Compare prices with demand

Repeat the floor for your top services, then look at how busy each one is.

## 2 Your top services

| Service | Price / floor | How far ahead it books | Keep, raise or rework |
|---------|---------------|------------------------|-----------------------|
|         |               |                        |                       |
|         |               |                        |                       |
|         |               |                        |                       |
|         |               |                        |                       |

## 3 Position

Who each service is for, and why they choose you (one sentence)

What is included that clients should see on the booking page

# Plan and track a price change

Give clients clear notice and watch the numbers for months, not days.

## 4 Plan the change

New prices

Effective date

Notice sent on

- ☐ Floor recalculated before choosing new prices.
- ☐ Existing clients told in person and in writing before the date.
- ☐ Booking page, menu and social profiles updated on the effective date.
- ☐ The same grace period, if any, applies to everyone.

Client notice wording

## 5 Track the results

Bookings per week before

Bookings per week after

Review date

Revenue per booked hour before

Revenue per booked hour after

Regulars who rebooked

Questions or objections heard, and what you will change