



Service Pricing Samples

What to charge is often the most difficult piece of the puzzle for many. Pricing does not need to be difficult or involve complex math. Below are some straight forward examples - you can use whichever, and plug in your own particulars to arrive at a price.

As mentioned in the program, if asked 'how much does your service cost', or "how much do you charge per meal", the answer is **never** \$_____ per meal. The answer is **always** about your overall service.

\$375 for two weeks' worth of excellent, custom-made meals that will satisfy is a lot easier to accept than \$18.750 a plate (unless price has little, if any bearing on the service to your client).

Service Plus example:

You first determine what "you" are worth, hourly, or daily, for labor. We suggest you set a daily rate, with the expectation that 5 hours will be spent cooking, 1 1/2 hours spent traveling and shopping and 1 1/2 hours administration (menu planning). 8 hours is your standard "day", even if perhaps all your menu planning is done on one day for multiple clients.

The industry standard is that you not earn less than \$275, in your pocket, pre-tax, after a day of service. (\$330 is a more realistic figure, but we want to be conservative in projections).

For our example, your labor for a "day" is \$275. From that \$275 you will have hard cost for pantry items (probably \$1), gasoline for traveling, meal containers (estimate \$1 per container) and your lunch (almost always taken with you).

\$ 1pantry items
\$ 20 meal containers
\$ 3.75 gasoline (\$4.00/gallon at 25 mpg x 30 miles traveled)
\$ 24.75 your hard expenses for this single day
\$275 (your pocket money) minus \$24.75 (expenses) leaves \$250.25.
\$250.25 divided by 8 hours means you earned \$31.28/hour for that one complete service/client.

Forget about the food, because your client has or will pay you the total cost for those products. Food items left over go into the client's refrigerator (milk, eggs, veggies, etc.) Do not leave meat unless you really over bought. Since meat/fish/poultry are the most expensive ingredients, try to shop wisely for what you need.

All Inclusive example

You already know that \$250.25 in your pocket at the end of the day meant a \$31.28/hour day (8 hours).

All-inclusive is just a method to give the client one less thing to think about and one less hassle. One price does it all. You need to either be very good at calculating food prices on the spot, or allow a buffer between a request and a quote, allowing you enough time to truly consider your hard cost for groceries. When you know the total cost (within 2%) of the food, add the food cost and your \$275 (labor) together. What is that number? Take that number and multiple by .30 (30% - 27-28% is best). Your food cost should not exceed this number.

Example:

You quote Mr. Jones a total price, all things included, one check - of \$350 for 20 meals.
Mr. Jones can figure this comes to \$17.50/meal.



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You know that the food will cost right around \$85 to buy all the groceries Mr. Jones wants. You add your service (\$275) plus the \$85 (total anticipated food cost) and arrive at \$360. You still have the same \$24.75 hard expenses as before, and now you have a hard cost of \$85 for groceries. You still went home with the same amount of money.

There are other more complex mathematical equations to use, but why? They arrive at the same end result. Don't overthink this, and protect your bottom line. Easy!

If you elect an all-inclusive and the client does the math to calculate a price per plate, then objects, switch to the Service Plus method and advise them that whatever the food cost is, is what it is. You will purchase quality food products wisely, but not sacrifice quality.

If you encounter a client who wants you to shop for the cheapest meats, etc. possible, you don't have a viable client (unless perhaps your client is a butcher). This person will never be happy with the outcome. You are not a miracle worker.

Variables:

You are bound to come across a client with a request or situation that does not fit neatly into a calculation. People under-going chemotherapy have ever changing dietary needs depending on the medications given. Tastes can change rapidly, from craving salt to hating salt for example. If you encounter a client who has special considerations, where you really need to sit down a few hours and see what you can make to satisfy them, the doctor and everyone else. Many times, you are cooking for a family, but only one person needs the highly restrictive diet. This can be done, and is routinely done, but it will take you much longer to arrive at a menu plan with the right recipes. Food cost usually is not a factor, just the ingredient mix. Set an hourly rate for specialized menu planning. \$25/hour is reasonable and customary. If your efforts last a month, great - and when/if the doctor changes the medication, etc. and what you previously created is no longer valid, another fee comes along to cover the added time spent once again. You are not required to charge for this added service, but most do.

Finally - establish a bare minimum fee (this should be in your policy statement) - if you are asked to prepare a few meals for someone - a half days' time, that service has just kept you from earning your full potential for the day. Have a minimum of \$150 (as an example) for you (not including food). If you did spend 3-4 hours on a much smaller service, you still protected your \$35/hour bottom line. This situation is rare, and would most likely come from existing clients. If they will pay, and you have a day available, the choice is now yours to make.