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## **Vendor or Partner: What's Your Image?**

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To be perceived as credible, image consultants are meticulous about addressing all aspects of their appearance - with one glaring exception: their fee structure. Few stop to consider that this is as much a part of their image as their appearance, behavior, and communication skills.

There are two bases on which image consultants may charge for their services: time and results. Those who charge a daily or hourly rate send the message that they are vendors selling a commodity. In contrast, those who charge value-based fees - i.e., fees based on results their clients achieve - stand out as trusted partners whose expertise enables them to provide a unique service that achieves dramatic outcomes.



### **What are Value-based Fees?**

Value-based fees are based on the impact of the results clients achieve through working with the consultant. This type of fee structure represents equitable compensation for the consultant in exchange for providing a significant return on investment for the client. Value-based fees are possible when consultants work with their clients as a partner and collaborator, rather than as a vendor. This structure enables consultants to raise their fees dramatically without increasing the amount of work. In most cases it requires a change in one's mindset and business model; it is not for the faint of heart or those with low self-esteem.

It is the consultant's job to educate clients so they focus on outcomes (e.g., a personal brand) rather than on activities (e.g., time spent shopping). To assist clients in seeing the value in the relationship, consultants must translate the impact of their advice and expertise into long-term results. Value often includes intangible elements (e.g., less stress, greater confidence) that are of greater value than the tangible ones, and thus increase the amount of the fee consultants may charge.

### **Why Value-based Fees?**

Here are seven ways a value-based fee structure optimizes consultants' results by aligning their fees with their image:

1. It sets them apart from others as confident, expert, credible professionals. They are perceived as partners who provide a unique service.
2. Psychologically, people believe they get what they pay for: higher fees often equal higher value in a client's mind.
3. It is a more ethical way of conducting business than time-based fees because it aligns the interests of the consultant with those of the client - i.e., the amount of time is not an issue.

4. Clients do not have to make an investment decision each time they desire the consultant's assistance. There never is a meter running on the relationship.
5. There is a cap on the investment; there are no surprises.
6. It is the most uncomplicated way to work together - e.g., there never will be a debate about what is billable time.
7. Achieving the "what" (desired outcomes) is significantly more valuable than selling the "how" (the methods).

### ***Are Value-based Fees for You?***

While value-based fees dramatically increase consultants' revenue, they are not for everyone. This type of fee structure requires a certain mind-set, which for most individuals represents a shift in their business model. For example, it is relationship-based rather than sales-based. Value-based fees are possible only when there is a trusting partnership between consultant and client.

Embracing a value-based fee structure requires a high level of self-esteem. Consultants truly must believe they provide a valuable service for which they deserve to be paid well. Self-concept, self-worth, and self-image - all psychological aspects of being an image consultant - are highlighted in a value-based fee structure. The social aspects of image consulting, such as role, status, and rank, also are factors. Consultants must insist on being treated as partners and be willing to walk away from those who would treat them as vendors.

### ***What Next?***

Here are four suggestions to help you shift from a time-based to a value-based fee structure. First, make a conscious decision to embrace value-based fees as part of your business philosophy. Second, become proficient in the skills associated with value-based fees, such as re-framing, language, and communication. Third, examine and fortify your beliefs about the value of your expertise. The first "sale" must be to yourself. Fourth, develop a support group of like-minded individuals who will challenge you and hold you accountable as you learn and grow together.

Now that you know your options, what image do you choose to have your fee structure project?

1 The concept of value-based fees discussed in this article was developed by Alan Weiss, author of *Value-based Fees: How to Charge - and Get - What You're Worth*. His web site is [www.summitconsulting.com](http://www.summitconsulting.com).

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