



The banner features the 'play to potential' logo on the left. To its right are contact details: a WhatsApp icon with the number '+91 85914 52129\*', a Twitter icon with '@PlayToPotential', and a globe icon with 'playtopotential.com'. Further right, under the heading 'Also available on:', are icons for Spotify, Apple Podcasts, and Google Podcasts. On the far right is a portrait of the host, Deepak Jayaraman, with the text 'Podcast Host' and his name 'Deepak Jayaraman' below it. A small disclaimer at the bottom left reads: '\*Just send us a Whatsapp with your name, number and email and we will add you to our distribution list.'

## Context to the nugget conversation

Dorie speaks about some of the principles around indexing the Pricing to Value which can be quite nebulous when it comes to Coaching and related services.

## Transcription

\*\*\*\*\*

Deepak Jayaraman (DJ): Changing tracks completely, Dorie, you also have done quite a bit of thinking around pricing in the context of value-based pricing or results-based pricing and that is something I end up thinking about. In the profession I am in, often, there is a temptation to go with the opportunity cost of my time. That is sort of one frame, but I find it helpful to frame it as participation and value creation in my work with the client. What are some of the things you have learnt about pricing for value if I may frame it that way?

Dorie Clark (DC): Yeah, well, it is an important question because early on when people are working for themselves, this is often the touchiest issue. This is the part where even seasoned professionals get really nervous. Number one, because usually, where added informational disadvantage, you know, a client might put out some kind of an RFP and, you know, they see 10 consultants, they see 20, they know all about everybody's pricing, you, most likely, do not know about anybody's and so you are kind of shooting in the dark, which is why it is so important, oftentimes, especially early on, but in general, to just really invest in building a robust professional community for yourself because people often say, oh, why do I need to know other consultants or whatever your field is, you know, I just want to talk to clients, I just want to talk to potential customers. Well, that is great up until the moment when you actually have to generate business and then, you need people, where you can say, well, what if they did this, what if they said that, how should I structure this, so I do think that is really important. But to your point about value-based pricing, which of course are a requisite hat-tip to Alan Weiss, who really is a master at this and wrote entire book about, Value-Based Fees, it is really useful to understand that the pricing that you are doing, it is completely appropriate to understand that, you know, number one, you have to learn to ask smart questions so that you can understand what the value actually is over time, that is the first piece, it is not always self-evident either to you or necessarily to the client. So you have to ask the right questions to elucidate it and understand it. But once you do, you are framing it and they might have sticker shock it, you know, oh, well, I was used to paying \$50 an hour, why is this more than \$50 an hour. Well, who cares if it is a \$1050 an hour or whatever it comes out to, if they are going to make millions of dollars? But you have to show them. You have to help them understand that frame that it is not about, you know, oh, it is so inappropriate to pay a person this amount of money. They should not care if the value is high enough. And it is really about shining a light and helping articulate that.

## Reflections from Deepak Jayaraman

DJ: This is something I really struggle with. Especially given the nebulousness of Coaching as a service. Value is often intangible and often discovered in the back end of the journey. And very often, the nature of outcomes are in the blind spot of the coachee.

I learnt a lesson about pricing at the most unexpected of quarters. I was watching the movie Erin Brockovich, made in 2000 starring Julia Roberts for which she won an Oscar. This is based on a true story of Erin Brockovich, who was a Legal Clerk and through her empathy, resourcefulness and persistence, helps the Legal firm win a Case against Pacific Gas and Electric Company which has been polluting the waters around its facility leading to health complications of the residents who live in the neighbourhood. Without getting into too much technical detail, through her presence of mind, she is able to eventually get PG&E to pay USD 333 Million to be distributed among the plaintiffs. All along, she is fighting to stay alive and keep her job in the Law Firm. The last scene of the movie is quite telling. Her boss hands her a bonus of USD 2 Million which completely takes her by surprise and is off the charts for a Legal Clerk.

It is a wonderful movie that shows how much one can get done if we have the will and the resolve to look at the problem in the eye and back ourselves. But, I also learnt that sometimes we add value in a very different currency, which is defined by the person's life and context. Sometimes, we are so busy looking at fees from our point of view in terms of salary and opportunity cost of time that we forget to think about the currency in which we are adding value.

This is still work in progress for me. But one thing I have learnt is that by back ending the fees and linking it to the client's context, we have a better chance of indexing fee to value add rather than just going by opportunity cost of my time! If you have any thoughts or resources here, I would appreciate you writing in. This is something I am curious about and getting educated on!

## End of nugget transcription

\*\*\*\*\*

### RELATED PLAYLISTS YOU MIGHT LIKE

**Coaching:** The business world is slowly waking upto the fact that just like in elite sports, there is a tremendous value to be unlocked by having an effective coach for a leader. It is not just about fixing issues but also about enabling the journey from Good to Great. Leaders across disciplines share their insights around how one should pick a coach and get the most out of such a relationship. You can access the playlist [here](#).

**Personal Brand:** This is not a new concept but as we hurtle towards a world where the Gig Economy will be a key structural component of the economy in addition to large organizations, how we build our personal brand is something every leader needs to be thinking about. What can we learn from how Businesses build brands? How does that need to change in the digital world? You can access the playlist [here](#).

### SIGN UP TO OUR COMMUNICATION

**Podcast Newsletter:** Join 1000s of leaders who benefit from the Podcast newsletter. Not more than 1-2 emails a month including keeping you posted on the new content that comes up at the podcast. High on signal, low on noise. Sign up for the podcast newsletter [here](#).

**Nuggets on Whatsapp:** We also have a **Podcast Whatsapp distribution group (+91 85914 52129)** where we share 2-3 nuggets a week from the Podcast archives to provoke reflection. If that is of interest, please click [here](#) and send a message stating "INTERESTED". Do also add this number to your Phone Contacts so that we can broadcast our messages to you when we share a nugget.

\*\*\*\*\*

### **Dorie Clark - Nuggets**

- 85.01 Dorie Clark - Winding journey to entrepreneurship
- 85.02 Dorie Clark - Prioritizing sharply
- 85.03 Dorie Clark - Beyond retailing time
- 85.04 Dorie Clark - Riding an S curve
- 85.05 Dorie Clark - Infinite horizon networking
- 85.06 Dorie Clark - Value based pricing
- 85.07 Dorie Clark - Metrics to measure greenshots
- 85.08 Dorie Clark - Experimenting on the sides
- 85.09 Dorie Clark - Extending the horizon
- 85.10 Dorie Clark - Being a Lesbian

### **About Deepak Jayaraman**

Deepak seeks to unlock the human potential of senior executive's / leadership teams by working with them as an Executive Coach / Sounding Board / Transition Advisor. You can know more about his work [here](#).

### **Disclaimer and clarification of intent behind the transcripts**

This written transcript of the conversation is being made available to make it easier for some people to digest the content in the podcast. Several listeners felt that the written format would be helpful. This may not make sense as an independent document. Very often spoken word does not necessarily read well. Several of the guests have published books and the language in their books might be quite different from the way they speak. We request the readers to appreciate that this transcript is being offered as a service to derive greater value from the podcast content. We request you not to apply journalistic standards to this document.

This document is a transcription obtained through a third party/voice recognition software. There is no claim to accuracy on the content provided in this document, and occasional divergence from the audio file are to be expected. As a transcription, this is not a legal document in itself, and should not be considered binding to advice intelligence, but merely a convenience for reference.

Podcast Transcript [85.06 Dorie Clark - Value based pricing](#)

Also available on Apple Podcasts | Google Podcasts | Spotify

[www.playtopotential.com](http://www.playtopotential.com)

The tags that are used to organize the nuggets in the podcast are evolving and work in progress. You might find that there could be a discrepancy between the nuggets as referenced here and in the actual podcast given this is a static document.

All rights reserved. No part of this document may be reproduced or transmitted in any form or by any means, or stored in any retrieval system of any nature without prior written permission.