



Hiring Staff



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Finding the right staff member for your business can often be a difficult and lengthy task. The starting point to finding your ideal candidate is with the Job Ad.

Be as specific as you can about what the day-to-day job entails, the necessary qualifications but also what you expect from them in the role – this can save you lots of time when it comes to shortlisting candidates. It is important that they tick all the boxes for what your business needs and that you don't settle for second best – if you do, you will regret it in the longer term!

This person will be representing your business/brand so it is vital that they are capable of providing the standard of service and professionalism that is required, whatever the role may be.

Pricing Strategy

Getting The Most From Your Pricing Strategy?

How do you price your product or service properly?

Do you know the difference between Mark-Up and Margin?

Probably the most common pricing strategy when selling products (retail) is the Cost - Plus pricing model.

If you are manufacturing the products yourself, you add the costs of your materials and overheads e.g. rent and electricity

Then divide your total costs by the number of units that you are making

Then add your mark-up.

Example Cost - Plus Pricing model

(Monthly)	
Rent	€1,000
Heating and Electricity	€500
Materials (Products)	€3,000
Wages	€4,000
Total Costs	€8,500
Units Produced	1,000
Total Costs / Units =	€8.50 (Unit Cost)
30% Mark-Up (€8.50 x .3)	€2.55 (Mark-up)
Unit Cost + Mark-Up =	€11.05 (Retail Price)

Because you applied a 30% mark-up to your cost does not mean that your profit margin is 30%. Your profit margin is actually calculated using your profit amount.

1 unit costs €8.50 to make and you sell it for €11.05 it means your profit is €2.55, so we then divide your profit by the retail price which leaves us with a 23% profit margin.

You may have noticed the total profit is the same amount as your mark-up, that is correct. We can call it mark-up amount, or profit.

Retail Price - Unit Cost	=	Profit	
€11.05 - €8.50	=	€2.55	
Profit/ Retail Price	=		Profit Margin
€2.55/ €11.05	=	0.23 x100	23%

This is an example of how a product is priced, so depending on what you are selling, you will be able to compare to competitor prices and figure out whether it makes sense or not to try and produce this product.

This a very basic cost analysis example, with no budget for advertising, logistics or marketing etc. But it should give you an idea of how to ad your costs and calculate your Profit margin.

When Pricing your service the most common model is Competitive Pricing.

Competitive Pricing is basing your price based on your competitors, and deciding whether to charge a higher or lower price than them, its that simple.

Just be sure to work out your total costs, for wages, rent, heating and products. This will help you forecast how many services you have to sell per month and can also help you adjust your prices if you need to.

In the 1st blog edition we looked at market research, and if you have done this properly you should know the industry standards with regards to prices.

If you think you can provide a service just as good as the top priced competitors in your industry, then price yourself close to them (maybe a little bit cheaper so you get bargain hunters).

Providing a service or selling products cheaper than your competitors is not always a good strategy.

If you are cheap, customers may get the perception that you are offering something of a lower quality than your competitors, it all depends on your industry.

Always have your target audience in mind.