**Is it Time to Raise Your Fees?**

If it's more than a few years since you changed your billing rates, consider increasing your fee soon.

It does not serve anyone – not yourself, the industry or your clients to keep fees artificially low.

Bookkeepers, BAS agents and Accounting Technicians provide professional services as a business-to-business arrangement. Putting up your rates is simply a business decision you need to make from time to time.

Business owners will make decisions based on many factors, and price is only one of those factors. If you have gone above and beyond looking after your clients in the last year, more than likely, they will understand your decision to increase fees this year, and they will appreciate the value you provided in how well you helped them.

**What are You Worth?**

Your fees do not have to be the same as colleagues. Instead, you need to decide what is appropriate, considering many factors: the industry, your region, the services you offer, the value you provide, your experience and qualifications and your chosen market.

Your unique package of all these factors will undoubtedly be different from others in the industry, which is a good thing! Make the most of your blend of life and work experience.

If you haven't upskilled, learned new software, kept abreast of all the law changes, and increased your knowledge of best practices, then perhaps it's okay to leave your fees as they are for a while yet. But if this is you, it's time to get on board with professional development, learn about best practices from your colleagues, and charge accordingly.

If you're not sure about increasing your fees, whether now or in the future, analyse what you offer to clients and be sure about the value you provide. Once you have reminded (or convinced) yourself of your worth, it's easy to communicate this clearly, calmly, and professionally to clients.

**How Much Notice Should You Give for Fee Increases?**

You do not have to give any amount of notice for a fee increase unless you have an agreement with a client that explicitly states a notice period for an increase.

However, you would not increase fees for work already done without a discussion first. If a client expects you to bill at a certain rate, you must honour that and make it clear when the new fees apply for future work.

You may choose to give some notice, for example, a month, or perhaps you prefer to start the new fees next quarter. It is entirely up to you; there is no standard. Some practitioners simply state in their agreements that annual price rises will apply, and they do not give any further notice than what is provided in the original letter of engagement.

**Impact of Discounting or Increasing Prices**

Did you know that if your present margin is 30%, and you discount your prices by 10%, your sales would have to increase by 50% to keep the same bottom-line margin? Okay, this metric may be more appropriate for selling goods than services because you are unlikely to offer the same discount to every client; however, it's worth thinking about!

On the other hand, if your present margin is 30% and you increase prices by 10%, you would have to lose 25% of revenue before it affected your profit.

If you lose a client because of your fee increase, you are still ahead, and it makes way for more clients who will value the professional services you offer.

As soon as you change your fees, you have the potential to attract a different clientele. Whom do you want to attract? There is no right or wrong here – remember, it’s up to you to choose fees that are right for you and all you offer to your clients.

[AAT Price Increase Template](https://www.aat.org.au/AAT/AAT/Member_Resources/Templates.aspx?WebsiteKey=769361cb-e420-4531-bae7-4b6ac078b30d)

[AAT Calculating Charge-out](https://www.aat.org.au/AAT/AAT/Member_Resources/Checklists.aspx)

AAT Fee Structures