HANDOUT 5 | PRICE WITH WISDOM

Service Pricing Quick Sheet

Know your true cost before you quote.

- Costs people forget when pricing services
- Simple service price floor formula
- One-job and hourly pricing worksheet
- Beginner version now, wrap rates later
- AI prompt to check your quote

SESSION 03 | HANDOUT 5
Service Pricing Quick Sheet
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VEC Session 3. Service Pricing Quick Sheet

Know your true cost before you quote a service job.

BLUF: A service price must cover more than your hourly pay. If your quote only covers labor, you can stay busy and still lose money. Price with wisdom, not fear.

THE SIMPLE FORMULA

Minimum service price: Your time + direct job costs + tools, software, and supplies + admin and overhead + taxes, benefits, and owner pay + profit and reserve.

Cost Bucket	What It Means	Examples
Your time	The hours needed to deliver the work.	Prep, delivery, cleanup, follow-up
Direct job costs	Costs tied directly to this job.	Materials, delivery, subcontractor help
Tools and software	Tools used to deliver the work.	Scheduling app, design software, equipment
Admin and overhead	Business support costs.	Bookkeeping, phone, insurance, workspace
Taxes, benefits, owner pay	The real cost of paying people and the owner.	Payroll taxes, benefits, owner draw
Profit and reserve	Money left for growth and surprises.	Savings, replacement tools, slow months

QUICK WORKSHEET

Input	Amount
Service or job	
Hours required	
Target pay per hour	$
Direct job costs	$
Tools, software, and supplies share	$
Admin and overhead share	$
Taxes, benefits, or owner-pay burden	$
Profit and reserve	$
Minimum quote	$

Advanced note: A wrap rate is the government-contract version of this idea. It combines labor, fringe, overhead, general and administrative costs, and profit into one multiplier. We will save that deeper lesson for government contracting.

AI PROMPT TO CHECK YOUR QUOTE

Help me check whether this service quote covers my true cost.
Here are my numbers: service [SERVICE], hours [HOURS], target hourly pay [$], direct job costs [$], tools, software, and supplies [$], admin and overhead [$], taxes, benefits, or owner pay [$], profit and reserve [$].
Calculate my minimum quote. If any number is missing, write Need input. Do not invent numbers.
Explain the result in plain English.